United Nations S/2001/1070

Security Council

Distr.: General
13 November 2001
English
Original: Arabic

Letter dated 12 November 2001 from the Permanent Representative of Kuwait to the United Nations addressed to the President of the Security Council

On instructions from my Government, I have the honour to alert you and the members of the Council to the fact that last Sunday, 11 November 2001, Kuwaiti security personnel observed some Iraqi violations of Kuwait's boundaries that represent an escalation and provide an indication of a wish on Iraq's part to undermine stability along the borders. When Iraqi border forces fired a number of projectiles in the direction of Kuwaiti territory, the relevant Kuwaiti authorities immediately notified the commander of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) and he lodged a protest with the Iraqi authorities against this latest escalation. We present hereunder an account of this Iraqi violation and of the subsequent developments.

1. At 0930 hours Kalashnikov assault-rifle fire was heard and seen being directed from the Iraqi side at Kuwaiti territory near boundary pillar 94/Safwan.

2. The Kuwaiti liaison officer immediately notified the UNIKOM chief of operations of the incident.

3. At 0945 hours explosions were seen and heard near boundary pillar 92, on the Kuwaiti side.

4. The UNIKOM investigation team led by Lieutenant Colonel Dennis Sandal proceeded to the site of the explosion, where it saw a crater some 80 centimetres in diameter and 30 to 40 centimetres deep containing remnants of a projectile in the form of scattered fragments. The relevant Kuwaiti team thereupon met with the members of the UNIKOM team led by the UNIKOM chief of operations and it was determined that a Russian-made 82-millimetre mortar round had been fired from the Iraqi side at Kuwaiti territory some 3 to 4 kilometres from Safwan.

5. The UNIKOM commander informed us that he would notify the Department of Peacekeeping Operations at the United Nations of the occurrence and that an official complaint would be lodged with the competent authority in Iraq concerning the day's incidents.

This incident, which follows on the heels of repeated violations and infractions by the Iraqi Government, once again illustrates the intentions of the Iraqi Government with regard to the people and Government of Kuwait and the fact that these intentions are other than peaceful. It clearly shows that the Iraqi authorities still bear malice and that they are still doing everything in their power to undermine

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Kuwait's security and stability. We condemn these hostile practices and policies, which are incompatible with the Charter of the United Nations and the relevant Security Council resolutions, and we call upon the Security Council to intervene with the Iraqi Government in order to induce it to halt its violations and to respect the sovereignty and security of the State of Kuwait.

I should be grateful if you would have this letter circulated as a document of the Security Council.

(*Signed*) Mohammad A. **Abulhasan**
Permanent Representative

United Nations A/56/617–S/2001/1071

General Assembly
Security Council

Distr.: General
13 November 2001

Original: English

General Assembly
Fifty-sixth session
Agenda item 166
Measures to eliminate international terrorism

Security Council
Fifty-sixth year

Letter dated 12 November 2001 from the Permanent Representative of Israel to the United Nations addressed to the Secretary-General

I wish to draw your attention to the latest incidents in the continuing Palestinian campaign of terrorism directed against Israel.

Yesterday evening, at approximately 7.30 p.m. (local time), a Palestinian terrorist was intercepted near the entrance to the village of Kfar Hess, east of the Israeli city of Netanya. When Security officers arrived on the scene, the terrorist opened fire killing Aharon Usishkin, age 50, and seriously wounding another officer.

In another incident, Palestinian terrorists shot and killed Hadas Abutbul, age 39 and mother of four, as she returned from work to her home in the community of Mevo Dotan on Friday, 9 November 2001. The terrorists set up a roadside ambush and shot Abutbul in the back as she drove past, causing her to lose control and her car to overturn. The terrorists then fled towards Palestinian-controlled territory. The Al-Aqsa Brigade, a military arm of Chairman Arafat's own Fatah faction, later claimed responsibility for the murder.

The murder of Aharon Usishkin and Hadas Abutbul are the latest fatalities in the ongoing Palestinian terrorist campaign that has been detailed in my letters dated 5 November 2001 (A/56/604-S/2001/1048), 24 October 2001 (A/56/506-S/2001/1011), 19 October 2001 (A/56/492-S/2001/990), 17 October 2001 (A/56/483-S/2001/975), 8 October 2001 (A/56/450-S/2001/948), 5 October 2001 (A/56/444-S/2001/943), 3 October 2001 (A/56/438-S/2001/938), 24 September 2001 (A/56/406-S/2001/907), 20 September 2001 (A/56/386-S/2001/892), 17 September 2001 (A/56/367-S/2001/875), 7 September 2001 (A/56/346-S/2001/858), 4 September 2001 (A/56/331-S/2001/840), 30 August 2001 (A/56/325-S/2001/834), 27 August 2001 (A/56/324-S/2001/825), 13 August 2001 (A/56/294-S/2001/787), 9 August 2001 (A/56/286-S/2001/780), 8 August 2001 (A/56/280-S/2001/775), 6 August 2001 (A/56/272-S/2001/768), 27 July 2001 (A/56/225-S/2001/743), 26 July 2001 (A/56/223-S/2001/737), 17 July 2001 (A/56/201-S/2001/706), 13 July 2001 (A/56/184-S/2001/696), 3 July 2001 (A/56/138-S/2001/662), 2 July 2001

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(A/56/131-S/2001/656), 21 June 2001 (A/56/119-S/2001/619), 19 June 2001 (A/56/98-S/2001/611), 18 June 2001 (A/56/97-S/2001/604), 13 June 2001 (A/56/92-S/2001/585), 11 June 2001 (A/56/91-S/2001/580), 4 June 2001 (A/56/85-S/2001/555), 30 May 2001 (A/56/81-S/2001/540), 25 May 2001 (A/56/80-S/2001/524), 18 May 2001 (A/56/78-S/2001/506), 11 May 2001 (A/56/72-S/2001/473), 9 May 2001 (A/56/69-S/2001/459), 1 May 2001 (A/55/924-S/2001/435), 23 April 2001 (A/55/910-S/2001/396), 16 April 2001 (A/55/901-S/2001/364), 28 March 2001 (A/55/863-S/2001/291), 27 March 2001 (A/55/860-S/2001/280), 26 March 2001 (A/55/858-S/2001/278), 19 March 2001 (A/55/842-S/2001/244), 5 March 2001 (A/55/821-S/2001/193), 2 March 2001 (A/55/819-S/2001/187), 14 February 2001 (A/55/787-S/2001/137), 13 February 2001 (A/55/781-S/2001/132), 2 February 2001 (A/55/762-S/2001/103), 25 January 2001 (A/55/748-S/2001/81), 23 January 2001 (A/55/742-S/2001/71), 28 December 2000 (A/55/719-S/2000/1252), 22 November 2000 (A/55/641-S/2000/1114), 20 November 2000 (A/55/634-S/2000/1108) and 2 November 2000 (A/55/540-S/2000/1065).

The Government of Israel holds the Palestinian Authority responsible for these attacks in light of its continuing role in orchestrating a campaign of violence and terrorism and its steadfast refusal to take concerted action against known terrorists operating in its territory. More than a year after violence erupted, incitement is still rampant in the official Palestinian media, terrorists remain free to roam the streets and plan further attacks, and Palestinian territory is still being used as staging ground for murderous aggression against Israeli civilians.

Such flagrant disregard for the will of the international community as it mobilizes its resources to fight against terrorism cannot be tolerated. The Palestinian leadership must take action, in accordance with its international obligations and signed agreements reached between the parties, to end the violence and terrorism emanating from the territory under its control. Israel calls on the international community to exert maximum pressure on all States and entities that support terrorism, or that are actively engaged in terrorist operations, and to act comprehensively and without distinction to ensure their compliance with international law.

I should be grateful if you would arrange to have the text of the present letter circulated as a document of the fifty-sixth session of the General Assembly, under agenda item 166, and of the Security Council.

(*Signed*) Yehuda **Lancry**
Permanent Representative

United Nations S/2001/1072

Security Council

Distr.: General
13 November 2001

Original: English

Letter dated 10 November 2001 from the Secretary-General to the President of the Security Council

I wish to refer to the presidential statement dated 3 May 2001 (S/PRST/2001/13), in which the Security Council extended the mandate of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo for a final period of three months. I also wish to refer to the President's letter, by which the Panel's mandate was extended until 30 November 2001 (S/2001/951), and the Panel was requested to submit, through me, an addendum to its final report.

I have the honour to transmit to you the addendum to the report of the Panel, submitted to me by the Chairperson of the Panel. I should be grateful if you would bring the report to the attention of the members of the Security Council.

(*Signed*) Kofi A. **Annan**

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Addendum to the report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo

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I. Introduction

1. By the statement of its President of 2 June 2000 (S/PRST/2000/20), the Security Council requested the Secretary-General to establish a Panel of Experts on the illegal exploitation of the natural resources and other forms of wealth of the Democratic Republic of the Congo with the following mandate:

(a) To follow up on reports and collect information on all activities of illegal exploitation of natural resources and other forms of wealth of the Democratic Republic of the Congo, including in violation of the sovereignty of that country;

(b) To research and analyse the links between the exploitation of the natural resources and other forms of wealth in the Democratic Republic of Congo and the continuation of the conflict.

2. By his letter dated 12 April 2001 (S/2001/357), the Secretary-General transmitted the report of the Panel. The Security Council, in the statement of its President of 3 May 2001 (S/PRST/2001/13), requested the Secretary-General to extend the mandate of the Panel for a final period of three months, at the end of which the Panel would present an addendum to the report which would include the following:

(a) An update on the relevant data and analysis of further information, including as pointed out in the action plan submitted by the Panel to the Security Council;

(b) Relevant information on the activities of countries and other actors for which necessary quantity and quality of data were not made available earlier;

(c) A response, based as far as possible on corroborated evidence, to the comments and reactions of the States and actors cited in the report of the Panel;

(d) An evaluation of the situation at the end of the extension of the mandate of the Panel, and of its conclusions, assessing whether progress has been made on the issues, which come under the responsibility of the Panel.

3. The new Panel was composed as follows:

Ambassador Mahmoud Kassem (Egypt), Chairman;

Brigadier General (Ret.) Mujahid Alam (Pakistan);

Mel Holt (United States of America);

Henri Maire (Switzerland);

Moustapha Tall (Senegal).

4. The Panel was assisted by a technical adviser, Gilbert Barthe, two political officers, as well as an administrator and a secretary.

5. Following a brief period of consultations in New York, the Panel began its work in Nairobi on 30 July 2001. Panel members, together or individually, because of time constraints, visited Angola, Belgium, Botswana, Burundi, Central African Republic, the Democratic Republic of the Congo, France, Kenya, Namibia, the Republic of the Congo, Rwanda, South Africa, Uganda, the United Kingdom of Great Britain and Northern Ireland, the United Republic of Tanzania, the United States of America, Zambia and Zimbabwe.

6. In acquiring and updating its information, the Panel relied on meetings with heads of State, government officials, non-governmental organizations and stakeholders, business people, academics, members of the press, individuals and others. Meetings were also held with parties cited in the report, representatives of Governments, entities, private companies and individuals who had submitted written reactions to the report.

7. The Panel did not have the power to compel testimony and thus relied on information voluntarily provided by States and other sources. Information was not forthcoming from South Africa, the United Republic of Tanzania, Zambia and Zimbabwe. Information was finally received, but with considerable delay, from Angola. This factor, as well as the constraints of its short mandate, limited the Panel's ability to present a more complete addendum.

8. Throughout its consultations and work, the Panel was mindful of the progress being achieved in the ongoing peace process in the Democratic Republic of the Congo, regarding the implementation of the Ceasefire Agreement signed at Lusaka on 10 July 1999 (S/1999/815) and, in particular, the inter-Congolese dialogue.

9. The Panel tried its best to address the complaints and reactions as a consequence of the report and succeeded in meeting most of the parties. However, owing to severe time constraints, it was not possible to address this issue in its totality.

II. Historical perspective

10. The Panel wishes to emphasize that the history of the Democratic Republic of the Congo, regardless of the political system or governing authority in place, has been one of systematic abuse of its natural and human resources. This exploitation has almost always been backed by the brutal use of force and directed to the benefit of a powerful few. As the country's precious resources were plundered and mismanaged, an informal economy based on barter, smuggling and fraudulent trade in commodities thrived, becoming the sole means of survival for much of the population. This commerce reinforced pre-existing ties based on ethnicity, kinship and colonial structures between the Kivu regions and neighbouring States such as Burundi and Rwanda, as well as Kenya, Uganda and the United Republic of Tanzania. Similar patterns of informal trade closely linked Katanga Province with Zambia and Angola.

11. The result was that a country renowned for its vast natural wealth was reduced to one of the poorest and debt-ridden States by the early 1990s. From the early days of the rebellion of the Alliance of Democratic Forces for the Liberation of Congo-Zaire, President Laurent-Désiré Kabila perpetuated many of the practices of his predecessors. He wielded a highly personalized control over State resources, avoiding any semblance of transparency and accountability. Management control over public enterprises was virtually non-existent and deals granting concessions were made indiscriminately in order to generate quickly needed revenues and to satisfy the most pressing political or financial exigencies. Familiar patterns of unaccountability, corruption and patronage re-emerged rapidly. This is the setting in which the war of August 1998 began.

III. Situation in the Great Lakes region

12. Since 12 April 2001, the ceasefire has held along the confrontation line among the parties. Uganda began pulling out some troops and Namibia withdrew almost all its troops. Disengagement to new defensive positions, in accordance with the Lusaka Ceasefire Agreement, appears to have been completed. Sporadic fighting nonetheless continued, shifting the conflict towards the east along the borders with Rwanda and Burundi and the shores of Lake Tanganyika. Much of this fighting has pitted the Rwandan and Burundi armed groups or "negative forces" and the Congolese Mayi-Mayi militias against the Rwandan Patriotic Army, the Burundi Army and the RCD-Goma rebel forces. ALIR I, regrouping ex-FAR and Interahamwe, moved through the Kivus and crossed the border to attack RPA. The attack was repelled by RPA. The most recent armed activity has centred on the town of Fizi in South Kivu near Lake Tanganyika. There have also been reports of sporadic clashes between Mayi-Mayi fighters and different forces in the north-eastern regions of Orientale Province and North Kivu. Some fighting was also reported to have broken out among different factions of the Ugandan-backed rebel groups.

13. Efforts towards reconciliation and reunification moved forward. In August 2001, the preparatory meeting for the inter-Congolese dialogue, the negotiations among the Congolese parties on a post-conflict political transition, was held at Gaborone. A sense of compromise and cooperation reigned and one result was the signing of a Declaration of Commitment by all the participants. Among the many issues on which the participants committed themselves to start taking action was the protection of natural resources from illegal exploitation. The dialogue itself began at Addis Ababa in September; the talks, which adjourned prematurely, in part because of funding problems, will reportedly resume in December in South Africa. The Kinshasa Government continued to push for the participation of the Mayi-Mayi groups in the negotiations. Talks aimed at building confidence were held between President Joseph Kabila and the heads of State of the signatories to the Lusaka Ceasefire Agreement. As a gesture of good will, intended to encourage the withdrawal of Rwandan troops, President Kabila announced that 3,000 soldiers in Katanga Province, identified as ex-FAR and Interahamwe, would be disarmed and demobilized under the supervision of the United Nations.

14. As regards the exploitation of natural resources, Zimbabwe is the most active of the allies. Many of its joint ventures are in the development stage and likely to mature with the help of badly needed capital from outside investors. While many of the investors are offshore companies, Zimbabwe also appeared to be considering a less active role for its army in these commercial activities and more involvement by government ministries. On the side of the uninvited forces, the commercial networks put in place by UPDF commanders have allowed them to continue their

exploitation activities despite the withdrawal of a significant number of troops. RPA continued to collect and channel profits from trade in natural resources through a sophisticated internal mechanism.

IV. Exploitation of the natural resources

15. Investigations conducted by the Panel, which focused on evaluating whether changes in trends had occurred since the release of the report, confirmed a pattern of continued exploitation. The exploitation is carried out by numerous State and non-State actors, including the rebel forces and armed groups, and is conducted behind various facades in order to conceal the true nature of the activities. While some of these activities may be conducted under the umbrella of joint ventures, other activities are carried out by the de facto authority in the area, which purports to exercise the same authority and responsibilities as the legitimate Government. Still others take different forms, which will subsequently be highlighted. Given its mandate, the Panel limited its examination of specific material resources to coltan, gold, copper and cobalt, diamonds and timber, since they best illustrate the current patterns of exploitation. Selecting these resources also permitted the Panel to examine some of the reactions presented to the report.

16. The Panel would also like to emphasize another very important aspect of the exploitation that previously was not given sufficient importance. This relates to the exploitation of human resources by all parties to the conflict, a far graver phenomenon than the exploitation of material resources. This form of exploitation has resulted in flagrant and systematic violations of the fundamental human rights of the Congolese people. Human resources constitute the most important wealth of a nation, and the Panel strongly feels the need to reinforce the international community's attention to this situation so that urgent measures are taken.

Coltan (columbo-tantalite)

17. An excellent conductor, this metal ore occurs throughout the eastern region of the Democratic Republic of the Congo. After increased demand from the hi-tech, communications and aerospace industries drove coltan prices to an all-time high of more than $300 per pound in 2000, prices plummeted during the first six months of 2001, levelling off at the current $20 to $30 per pound. This price fluctuation, due to an increase in world production — in particular in Australia — and diminished demand, coincided with the publication of the Panel's report. There have been some accounts that part of the decrease in demand resulted from manufacturers' desire to disassociate themselves with what became known, following release of the report, as "blood tantalum".

18. The fluctuation in the price, as well as the Panel's report, have had a number of effects on the coltan trade from the eastern region of the Democratic Republic of the Congo. In response to the recommendations of the Panel, a bill was introduced in September 2001 in the United States House of Representatives to prohibit temporarily coltan imports from certain countries involved in the conflict in the Democratic Republic of the Congo. Some United States corporations that process and use tantalum, such as Kemet and Cabot Corporation, cancelled orders for coltan originating from the region. The Panel also confirmed that the Belgian company Sogem, a subsidiary of Umicore (formerly Union Minière), which was cited in the report, ended its partnership with its coltan supplier, MDM, in Bukavu in November 2000. Sogem, it should be added, had been operating and was established in the area long before the outbreak of hostilities.

19. These factors have also led to a change in tactics by the Rwandan army. Congolese operators were selected as partners to handle the coltan trade. In addition, the Rwandans relocated some of their *comptoirs*, which had operated in Bukavu and Goma, back to the Rwandan border towns of Cyangugu and Gsenyi. In addition, the decrease in coltan prices has meant a sharp reduction in revenues for the Congolese rebel groups such as RCD-Goma. For example, the Panel received reports that only one of the six remaining *comptoirs d'achat* has been able to pay its mandatory contribution to RCD-Goma. The rebel group has, as a result, resorted to other means of collecting revenue. RCD-Goma officials are now retroactively demanding higher taxes from local businesses and have imposed much higher customs tariffs. Desperately short of funds, RCD-Goma has even begun imposing customs duties on relief material brought in by humanitarian organizations.

20. Transport networks have also been reconfigured since the publication of the report. Sabena halted the transport of all coltan shipments from Kigali. Instead, the Netherlands carrier Martinair is now shipping coltan from Kigali twice a week to Amsterdam. DAS Air, a Ugandan-owned freight company, is also believed to be transporting coltan from Bukavu and Goma to Europe via Kigali. South African-owned air companies are also reportedly shipping coltan, either directly from the Kivu region or via Kigali to South Africa. The Panel has been informed by Interfreight that the company ceased transporting coltan as of May 2001. Interfreight is the company which had bought, prior to the conflict, 80 per cent of Panalpina's East Africa transport company. Although Panalpina currently only holds 20 per cent of the shares, Interfreight, nevertheless, has continued to use Panalpina transportation documents. As a result, the Panel's report had referred to Panalpina as the operator of Interfreight Operations.

21. While some of the patterns and modes of coltan transport have changed, others have remained constant. Kigali remains the main point of exit for coltan originating from the Democratic Republic of the Congo, while Ostende and Antwerp in Belgium remain the main ports of entry into Europe. In the case of transport by sea, which is the cheaper mode, the French company SDV-TRANSINTRA still transports coltan from Kigali to Mombasa and Dar es Salaam, from where it is shipped by another French company, Safmarine, to Antwerp and Ostende.

22. The Panel has learned that a large amount of coltan is transported to Hamburg, Germany, from Ostende and Antwerp. However, the Panel has learned from credible sources that the coltan then finds its way to the Ulba tantalum processing plant in Kazakhstan. According to a 1997 agreement between Finconcord SA of Switzerland and the Ulba plant, Finconcord marketed the processed coltan to its clients in Europe, the United States and Japan. Owing to the non-payment of taxes, and a resultant police investigation in Kazakhstan, Finmining, directed by the same individual, replaced Finconcord as Ulba's marketing agent. The Panel wishes to record that although it contacted the Government of Kazakhstan to verify information relative to the transportation of coltan, it did not receive a response from the Kazakh side.

23. In addressing some of the complaints made regarding references to coltan in the Panel's report, the Government of Rwanda claimed that its coltan production figures match those for total exports, which are supported by certificates of origin. However, the Panel was not able to reconcile these statistics. The Government of Rwanda also emphasized that the discrepancy between recorded coltan production and export figures was equal to the tonnage resulting from the re-processing of stockpiled scrap ore. The Panel was informed that these quantities of relatively low-grade coltan, known as "secondary" production, are recorded in statistics on exports, but not in those for production. The Government of Rwanda also claimed that coltan was imported in order to make use of the Rwandan processing facilities' surplus capacity, yet it could not precisely identify which statistics reflect those quantities. Certificates of origin were not presented for review. In addition, overall, data presented by the Government of Rwanda on coltan production and exports, including that from the National Bank of Rwanda on the annual volume and value of coltan exports, were not coherent. However, the general trend revealed by the statistics was that Rwanda's coltan exports almost tripled from 1998 to 2000.

24. The Government of the United Republic of Tanzania and the Tanzania Harbour Authority have also vehemently denied that coltan originating in the Democratic Republic of the Congo has ever been exported from the port of Dar es Salaam. However, the Panel has credible information that this is not the case. It refers, as an example, to the shipment of one container of coltan, which left the port of Dar es Salaam on 13 July 2001 on the *Karina S*, a Safmarine vessel, headed for Hamburg via Antwerp.

25. One of coltan's component elements, niobium (colombium), is produced by the Congolese company SOMIKIVU in the region north-west of Goma, which is under the control of RCD-Goma rebel group. In the Panel's report, it was reported that a preferential loan of DM 500,000 had been made by the Government of Germany to Karl Heinz Albers, a German citizen who is the Managing Director of SOMIKIVU, to expand the company's capacity. The Government of Germany later clarified information regarding these monies, stating that they were "a payment resulting from a federal guarantee for the original investment of the shareholder registered in Germany, the Gesellschaft für Elektrometallurgie mbh, Nürnberg". The monies were provided in the 1980s and "the investor had to be

covered in the early 1990s for economic losses incurred because of the wars in the east of the Democratic Republic of the Congo". The Government of Germany has emphasized that it does not offer "trade promotion measures" to SOMIKIVU or any other company named in the report.

Gold

26. Gold deposits can be found in the north-east and eastern regions, in the Kivus and Maniema and Ituri Provinces. During the last days of the Mobutu era, this was the only mineral that was recording increases in sales. Following an initial attempt at privatizing the gold mines through joint ventures, industrial gold mining practically came to a halt as a result of the civil war that began in 1996. However, artisanal gold mining continued and continues to this date on a large scale.

27. The Panel's report sheds light on the gold mining activities carried out by the Ugandan army, which assumed control of this gold-rich area. The sharp rise in Ugandan gold exports, which also exceeded national production, was given as further evidence that this gold is transported by UPDF elements to Kampala, from where it is exported. The Government of Uganda contested the findings of the Panel in its report, attributing the increase in its exports to 1993 policies liberalizing gold sales and exports, where the revamped policies permitted artisanal miners in Uganda to keep hard currency earned from sales. Officials claimed that as a result of the ease with which gold can be smuggled, Uganda became the preferred destination for gold produced by artisanal miners in the surrounding region.

28. The discrepancy between the gold export figures registered by the Ministry of Energy and Mineral Development and those recorded by the Uganda Revenue Service was attributed to the fact that the Ministry's figures reflect the quotas set for the production of the Ugandan export permit holders. These permit holders can buy from artisanal miners, the total of which appears on the export permits. While small-scale smuggling may in part explain the discrepancy in Uganda's production and export figures, the Panel has evidence that artisanal gold mining activities in the north-east by UPDF and RCD-ML, as well as the short-lived rebel coalition FLC, have continued. In the Kilo-moto area for example, operations at the Gorumbwa and Durba sites are under the control of UPDF and RCD-ML. The Malaka site reportedly employs 10,000 diggers and generates amounts of gold valued at $10,000 per day. Gold produced is still being sold through the Victoria *comptoir* in Kampala.

29. Another destination for the gold originating in the Democratic Republic of the Congo is Bujumbura. The Panel has learned from official and business sources in Bujumbura that gold smuggling into Burundi from Bukavu, Fizi Baraka and Uvira is a traditional activity because of the porous borders and Bujumbura airport's capacity to handle large cargo planes. In Bujumbura, gold dealers from countries such a Senegal, Pakistan and Greece buy this smuggled gold, which they subsequently transport personally to Europe and other destinations.

Copper and cobalt

30. Gécamines, the largest mining operation in the Democratic Republic of the Congo and once wholly State-owned, has holdings in government-controlled Katanga Province, which contain one of the largest concentrations of high-grade copper and cobalt in the world. Embezzlement, theft and pilfering, mismanagement and a lack of re-investment transformed it from the pillar of the Congolese economy, once earning 70 per cent of the country's hard currency in exports, into a dilapidated enterprise with production now at only one tenth of its former capacity.

31. Although Australian, United States, Canadian, Belgian and South African companies have established joint ventures in Gécamines' concession areas, the Government of the Democratic Republic of the Congo has primarily relied on it as a means to ensure the continued support of Zimbabwe. Zimbabwean Billy Rautenbach was named the Managing Director of Gécamines in November 1998 during a visit to Harare by President Laurent-Désiré Kabila. According to this deal, some of Gécamines' best cobalt-producing areas were also transferred to a joint venture between Mr. Rautenbach's Ridgepoint Overseas Development Ltd. and the Central Mining Group, a Congolese company controlled by Pierre-Victor Mpoyo, then Minister of State. Mr. Rautenbach also acted as Managing Director of the joint venture, a blatant conflict of interest. The Panel has information that President Kabila's decision to appoint Mr. Rautenbach — a man with no mining

experience but with close ties to the ruling ZANU-PF party in Zimbabwe — was made at the request of President Robert Mugabe during that visit.

32. However, President Kabila replaced Mr. Rautenbach with Georges Forrest, a Belgian businessman, in March 1999, reportedly after the former failed to pay the Government's share of the profits from the joint venture. President Kabila accused him of transferring profits to a shell company, as well as stockpiling cobalt in South Africa. Shipments of cobalt had allegedly been seized in Durban to pay Gécamines' South African creditors. Mr. Rautenbach has since taken legal action against the Government of the Democratic Republic of the Congo.

33. Under Zimbabwean pressure, in January 2001 John Bredenkamp's Tremalt Ltd. formed a joint venture with Gécamines, the Kababancola Mining Company (KMC). In a 25-year agreement, KMC acquired rights to a concession representing the richest Gécamines holdings. Mr. Bredenkamp, who pledged to invest $50 million in the mining operations, controls 80 per cent of this venture. Profits from his company's share will be split between the Government of the Democratic Republic of the Congo (68 per cent) and Tremalt (32 per cent).

34. The management of Gécamines changed hands again following an audit of all State-owned enterprises. The Minister to the Presidency, who has oversight for all public enterprises through his other post as Minister of the Portfolio, supervised an audit of these enterprises early in 2001. The audit reportedly revealed gross mismanagement and led to the firing of senior management officials at these enterprises in August 2001. A relative of the Minister was subsequently appointed to an influential post in the new management committee of Gécamines.

35. As in the past, Gécamines still continues to serve as a source of revenue for the Government of the Democratic Republic of the Congo. However, Gécamines' revenue-generating capacity no longer stems primarily from actual production, as it did during the early years of President Mobutu's regime. Instead, revenue mainly flows from the initial payments pledged by potential foreign joint-venture partners in return for the granting of concessions. The Panel has established that the amount of the payment is one of the primary considerations for the cash-strapped Government in granting concessions. As a result, unsustainable and environmentally hazardous mining operations currently characterize Gécamines' copper and cobalt mining activities. The future of what was once the giant of the country's economy appears bleak.

Diamonds

36. Owing to the size of the industry and the relatively stable price of diamonds, it is now an established fact that diamonds have had a significant effect on conflicts in Africa. In Angola and Sierra Leone, "conflict diamonds" mined in rebel-held areas[1] have served as a motivation for and a means by which some of the longest and bloodiest civil wars in Africa have been and are still being fought. The Democratic Republic of the Congo is not an exception. In this respect, the Panel would like to emphasize the importance of efforts by those involved in the "Kimberley process" in developing an international regulatory framework that will prevent conflict diamonds from being marketed and traded through legitimate industry channels. The Government of the Democratic Republic of the Congo has recently begun participating in these efforts.

37. In 1998, the former Governor of Kasai Oriental Province, Jean Charles Okoto, was named Managing Director of Société minière de Bakwanga (MIBA). Statistics obtained by the Panel show that while industrial and lower grades of diamonds have consistently accounted for over 90 per cent of MIBA production over the past decade, the small proportion of gem and near-gem quality stones, which averaged around 4 per cent of production, has shrunk progressively since 1999. By 2001, they represented barely 1.8 per cent of total production. The data, together with information provided by highly reliable sources, suggest that much of the company's most valuable diamond production is being embezzled and sold for personal profit by high-level MIBA and possibly other Government officials. The Panel believes, on the basis of credible, independent reports, that a portion of these embezzled gems are being smuggled through South Africa for sale in third countries. Credible information also suggests that

[1] Diamonds that originate in areas controlled by forces or factions opposed to legitimate and internationally recognized Governments, and are used to fund military action in opposition to those Governments or in contravention of the decisions of the Security Council.

Congolese authorities regularly skim millions of dollars from the proceeds of MIBA sales. In some cases, the funds are directly transferred from the company's Brussels account at the Banque Belgolaise. There are also widespread allegations, which the Panel was not able to substantiate, that diamonds from the Angolan rebel force UNITA are being laundered through MIBA in its tenders.

38. One of the largest joint ventures involving the Zimbabwe Defence Forces is the Sengamines diamond concession. The 25-year concession clearly represents the richest diamond deposits of MIBA holdings, with a potential production value estimated at over several billion dollars.

39. The joint venture originally featured a partnership between the ZDF-owned OSLEG (Operation Sovereign Legitimacy) and the Congolese company COMIEX-Congo. COMIEX-Congo is a State-private venture that acts as the Government's main platform for commercial deals and is reportedly linked to the Presidency and senior government ministers. The resulting joint venture, COSLEG, had neither the capital nor the expertise to develop the full potential of the concession. In a pattern that has developed in all of Zimbabwe's commercial investments in the Democratic Republic of the Congo, technical and financial support was sought from a third party. In this case, the party was Oryx Natural Resources, a British-Omani company.[2]

40. The exact capital structure of Sengamines remains somewhat unclear. Information obtained from Sengamines representatives and COMIEX in the Democratic Republic of the Congo indicated that Oryx retained 49 per cent of the shares, COMIEX 33.8 per cent and MIBA 16 per cent. The remaining 1.2 per cent is divided among several individuals, including the Minister for Public Security. Sengamines representatives also told the Panel that COMIEX would soon be dissolved and the government share in the venture would be controlled by the Ministry of the Portfolio. In a document concerning a planned reverse takeover of Oryx Natural Resources in 2000, reference is made, however, to dividing the "distributable profits" from the concession on the following basis: 40 per cent to the Oryx group, 20 per cent to OSLEG and 20 per cent to COMIEX-COSLEG. In this scenario, the Congolese partners would be considerably marginalized, especially MIBA. The separate Oryx Zimcon joint venture, involving yet another ZDF-owned company, is described as holding 90 per cent of the concession mining rights. Many well-informed sources emphasized to the Panel that the concession granted to Sengamines was the last strategic diamond reserve of MIBA and that MIBA has been irreparably weakened by the loss of this concession. Some sources even alleged that the granting of the concession is the prelude to liquidating MIBA, with Sengamines replacing it as the new premier diamond producer in the Democratic Republic of the Congo.

41. While the Congolese partner provides the resources to be exploited, Oryx furnishes the necessary capital and expertise. Through Abadiam, its agent in Antwerp, Oryx is also directly involved in the marketing process. Although sharing substantially in the profits, the Zimbabwean side in this complex joint venture has no apparent role, apart from its strategic troop deployment in the diamond-rich Kasai region. This area is known for its secessionist tendencies and being the stronghold of popular opposition politician Etienne Tshisekedi of the Union pour la démocratie et le progrès social (UPDS).

42. An estimated one third of the total rough diamond production of the Democratic Republic of the Congo, valued at $300 million a year, is smuggled to the Central African Republic and the Republic of the Congo because the export duties are much lower in those countries. A significant percentage of these diamonds also find their way to South Africa. The Panel believes that the stones are mostly exported from these transit points, to the major diamond trading centres in Belgium, the Netherlands, Israel and the United Kingdom. The smaller diamond centres in Mauritius, India and the United Arab Emirates (Dubai), reportedly receive a lesser share. The new mining code of the Government of the Democratic Republic of the Congo, being drafted with assistance from the World Bank and advice from the World Diamond Council, is expected to redress the issue of the heavy taxes levied by the revenue-starved Government on diamond exports, which helps spur this illicit trade.

43. In following the trail of diamond exports from the Zimbabwean ventures in the Democratic Republic of the Congo, the Panel learned from the Ministry of Mines of Zimbabwe that the import of rough diamonds into Zimbabwe is prohibited. This information was

[2] The company, directed by an Omani entrepreneur, is registered in the Cayman Islands.

corroborated by data provided by other credible sources, which showed no diamond imports originating from Zimbabwe. The Panel has been able to establish that these diamonds are handled by the South African-based Petra Diamonds Ltd.,[3] which now owns Oryx Natural Resources, following a reverse takeover in 2000.

44. Diamonds from artisanal mining in the northern Kisangani area have provided a source of revenue for the rebels, RPA and UPDF for the continuation of the conflict. The high combined taxes imposed by the RCD-Goma rebel group and RPA ultimately resulted in diamonds mined in this area being redirected to Kampala, where lower tax rates prevail. Data on Ugandan diamond exports confirm this. From 1987 to 1996, no diamond exports from Uganda were recorded for this market. From 1997 to 2000, exports from Uganda ranged from 2,000 to 11,000 carats, with values of up to $1.7 million per year. Figures for 2001, extrapolated from the sales for the first eight months, show an estimated 35,000 carats, valued at $3.8 million, in Ugandan diamond exports to Antwerp.

45. To gain a better understanding of the diamond exploitation activities carried out in the rebel-held and occupied territories, the Panel has taken a closer look at the activities of the Belco-Diamant *comptoir* in Kisangani. Following the rebel administration's cancellation of the monopoly on diamond exports granted to Mr. Nassour in Kisangani, the Belco *comptoir* was established. This *comptoir* is owned by Mr. Lukasa, a former minister under President Mobutu, as well as Emile Serphati, and was licensed to export diamonds by the rebel administration. Although Belco pays a 5 per cent export tax to the RCD-controlled Ministry of Mines, the Panel has information that a 10 per cent tax is also levied on the *comptoir* by the "Congo desk" in Kigali. Buyers, such as Arslanian Frères, purchase diamonds from Belco, which are then shipped directly to Antwerp in Belgium. As there is no sanctions regime in effect against diamonds originating in the Democratic Republic of the Congo, the Diamond High Council in Antwerp inspected and approved Arslanian Frères' imports of diamonds originating in the rebel-controlled region of Kisangani. The owner, Raffi Arslanian, told the Panel that Arslanian Frères had ceased all imports from Belco in May 2001 and furnished purchase receipts to substantiate this.

46. Statistics from credible sources also showed that diamond exports from Rwanda to Antwerp, in contrast to Uganda, have not increased. They informed the Panel that the reason behind this is the Rwandan Congo desk's relatively high tax (10 per cent) levied on the export of diamonds from the Democratic Republic of the Congo, added to the 5 per cent tax charged by the Congolese rebel administration. These taxes have driven many of the artisanal miners from the Kisangani area to smuggle their production through the Central African Republic and the Republic of the Congo. Diamonds are also reportedly transported personally by Asian and Lebanese traders operating in the eastern region, to South Africa and to Belgium and other European countries.

47. Belgium, along with the Diamond High Council in Antwerp, has taken serious steps to halt imports of conflict diamonds, for example from Angola and Sierra Leone, by instituting strict controls and by playing a leading role in the design and adoption of an international diamond certification system. However, it still remains an important destination for those tainted diamonds owing to the lack of similar controls in other European Union countries. Another related issue raised in the Kimberley process is the difficulty of adapting a certification and inspection regime to the customs and other trade procedures of a single integrated trade market such as the European Union.

Timber

48. The Democratic Republic of the Congo is endowed with some of the finest hard woods in the world. Most timber products from the eastern region have traditionally been shipped via the Congo River for export in Kinshasa. The Panel learned, however, that since the beginning of the 1998 war, logging companies in the eastern region have used the port of Mombasa in Kenya for exports. Although the Panel has evidence to show that timber from the eastern Democratic Republic of the Congo is exported both from the port of Dar es Salaam and through Kampala to the port of Mombasa, the Governments of both the United Republic of Tanzania and Uganda denied that

[3] Petra Diamonds Ltd. is actually registered in Bermuda although most of its operations and holdings are in South Africa. The company also has subsidiaries or concessions, some active and other not, in Namibia, Botswana and Angola. Its directors include a former United States diplomat, an Omani government official and a Commonwealth Secretariat official.

any transited through either country. Information provided to the Panel proves however that timber processed at Mangina (North Kivu) transits through Uganda on its way to Mombasa, transported by the freight company TMK. With regard to the United Republic of Tanzania, the Panel has obtained documents that clearly indicate that, during the period from December 2000 to March 2001, at least two shipments of timber originating in the Democratic Republic of the Congo were transported across the United Republic of Tanzania by railway from Kigoma to the port of Dar es Salaam. The documents also show that both shipments were intended for transit through the port. These shipments were consigned to companies in Greece and Belgium.

49. The exploitation of timber is also occurring in the Government-held territories. In 2000 COSLEG, the joint venture between the ZDF-owned OSLEG and COMIEX, established a subsidiary, Société congolaise d'exploitation du bois (SOCEBO), for the exploitation and commercialization of timber in the Democratic Republic of the Congo. It was set up with the aim to "contribute in the war effort in the framework of South-South cooperation".

50. The Panel has gathered contradictory information about the exact size of the concessions granted to the joint venture, as well as its operational status and investment strategies. SOCEBO representatives told the Panel that six concessions had been applied for in the Bandundu, Bas-Congo, Kasai and Katanga Provinces, totalling 1.1 million hectares. However, the United Kingdom non-governmental organization Global Witness reports that four concessions totalling 33 million hectares were granted, making it the largest timber exploitation operation in the world. According to Global Witness, these concessions cover 15 per cent of the national territory. The by-laws show COSLEG as holding 98.8 per cent of the shares in the joint venture, with the remaining 1.2 per cent of shares divided between Mawapanga Mwana Nanga, Abdoulaye Yerodia Ndombasi, Godefroid Tchamlesso, Charles Dauramanzi, Collins Phiri and Francis Zvinavashe.

51. According to some sources, timber from the Kasai and Katanga concessions would be transported by train from Lubumbashi, through Zambia to the port of Durban in South Africa, where it would be exported to Asia, Europe and the United States. The Panel also received very credible information that SOCEBO target markets would include South Africa.

52. President Mugabe told the Panel at a meeting in Harare that, although SOCEBO was supposed to commence logging activities in May 2001, it had been delayed owing to an inability to pay the customs duties to the Zimbabwe Revenue Service on machinery imported for the project. The SOCEBO Directors in Kinshasa emphasized, however, that a lack of sufficient capital had been the main obstacle to making SOCEBO fully operational. The Panel also received credible reports that the initial start-up capital of $600,000 intended for SOCEBO operations had been embezzled by representatives of the diamond buying office, Minerals Business Company, another COSLEG subsidiary. The Panel learned that a police inquiry into the disappearance of those funds had been suspended.

53. Heavy investment will still be required in order for the company to realize its objectives, over $5 million according to the company's own business plan. The Panel has not been able to substantiate reports that ZDF have contacted Malaysian, Lebanese and French investors to explore the possibility of forming joint ventures to develop these concessions.

54. According to information provided by SOCEBO, however, in July 2001 a joint venture was established with Western Hemisphere Capital Management (WHCM), described by some as a United Kingdom company based in Harare. The venture, SAB-Congo, was formed to develop one of the concessions in Katanga Province. WHCM, which is providing the needed capital and equipment, currently owns 60 per cent of the shares. SOCEBO holds 35 per cent, while the Institut National pour l'étude et la recherche agronomique (INERA), a Congolese State-run institute for agriculture, holds 5 per cent. The duration of the agreement is 10 years. The first timber sales from the venture are expected in November 2001. The Panel was unable to determine if WHCM is in any way linked to Western Hemisphere Resource Exploration (WHRE),[4] which recently formed a diamond mining joint venture with COSLEG, the Société congolaise d'exploitation minière. SOCEBO is also currently conducting negotiations with Assetfin, a Zimbabwean company owned by Time Bank, in a similar arrangement for another concession.

55. The Directors of SOCEBO told the Panel during an interview in September in Kinshasa that, while it

[4] WHRE is registered in the Isle of Man and according to the by-laws is owned by Elki Pianim.

continues to seek investors, it is currently exporting timber bought from local small-scale loggers. It is also in the process of annulling a partnership deal with a private Congolese logging company for its concession in the Bas-Congo, which it described as "unprofitable". While SOCEBO directors painted a picture of a company still struggling to get operations under way and burdened by debts and back-tax bills, the Panel has received credible reports that Zimbabwean military personnel have been carrying out intensive logging operations in the SOCEBO concession in Katanga, apparently in conjunction with SAB-Congo.

V. The link between exploitation of resources and the continuation of the conflict

Overview

56. Through its fact-finding, the Panel attempted to analyse to what degree the exploitation of natural resources and other forms of wealth constitutes the motivation behind each party's activities in the Democratic Republic of the Congo, and to what extent the exploitation provides the means for sustaining the conflict. In doing so, it assessed the recent developments in the conflict area and their implications for the exploitation activities. The Panel then evaluated, on an individual basis, the activities of the different States involved in the exploitation process.

Recent developments and their implications

57. There are indications that clashes during the past seven months in the Oriental and Kivu regions between the Mayi-Mayi, who appear to be better equipped and coordinated than before, and UPDF and the MLC rebel group have been directly related to control of coltan and gold. Similar short-lived battles have been fought by the Mayi-Mayi with RPA over access to coltan throughout the Kivus. The Panel also believes that the infighting among the Congolese rebel groups in recent months, which has caused them to splinter and led to occasional violence, has been related to control over coltan, gold and diamonds in the Beni and Bafwasende areas.

58. The Panel received credible information, corroborating reports from independent sources, that Zimbabwe is supporting the Burundian FDD rebel forces by supplying them with weapons and expertise. Many reliable sources have informed the Panel in this regard that the Zimbabwe Defence Forces are training FDD in Lubumbashi, where the FDD leadership is based and where Zimbabwean copper and cobalt investments are located. Another sign of their loosely structured coordination with the Burundian rebels is that the ALIR II forces are based near FDD in South Kivu and also have a command and liaison presence in Lubumbashi. The Panel concluded that the arming of these irregular groups is contributing to sustaining what could be viewed as a war by proxy in the east. It allows the ceasefire to remain intact, while creating a "controllable" conflict in the occupied zone that satisfies the interests of many parties. With this sporadic, low-intensity conflict dragging on, a certain status quo is being maintained in this region where many precious resources are extracted, traded and routed for export. Zimbabwe and Rwanda have the most important commercial presence in the Democratic Republic of the Congo as a result of their involvement in the war. The role that Zimbabwe plays in regard to continuing the conflict may well be shared with the Government of the Democratic of the Republic of the Congo, or at least some elements in it, as well as others. This armed activity can continue to feed Rwandan and Burundian security concerns, becoming an added justification for those two countries to maintain their military positions. In the case of Rwanda, control can then be legitimately deepened over a considerable expanse of territory, as well as its population and resources. As Zimbabwe's joint ventures in mining and timber begin to mature and become profitable, it may be tempted to retain a sizeable military presence in the Democratic Republic of the Congo. The profiteering of private businesses of all kinds in illicit and criminal activities gives them vested interests in seeing the conflict continuing, in particular businesses in South Africa, Kenya and the United Republic of Tanzania.

59. The link to the control and commercialization of the resources of the Democratic Republic of the Congo is more implicit than explicit. The Fizi Baraka region, where the most recent and intense fighting has occurred, is strategic for many reasons. It has been a stronghold for certain Mayi-Mayi groups and a base for the Burundian rebel forces, particularly FDD. ALIR II forces, which many military sources describe as the better armed and commanded of the Interahamwe and ex-FAR groups, use this area and nearby Shabunda to

coordinate actions with the Burundian rebels. In military terms, it is a gateway to Burundi which offers an escape route into the United Republic of Tanzania or Rwanda. It is also a crossroads between the South Kivu and Katanga Provinces and provides access to the northern section of Lake Tanganyika. Some have described it as a key transit zone for trade in commodities heading north and south between Katanga, South Kivu and Lake Tanganyika. Fizi and the neighbouring towns of Uvira and Bukavu have also been described as once-thriving trading centres for gold, copper, coltan and diamonds.

60. The continuation of the war can also be used as a cover by some influential Congolese officials, allowing them to continue to profit illicitly from the riches of their country. Peace could bring added pressure from many sides for greater transparency, oversight and accountability, and could ultimately prove far less profitable for some.

The allies

Democratic Republic of the Congo

61. From the outset, the Government of Laurent-Désiré Kabila followed the same methodology as its predecessors. That Government inherited an almost dysfunctional mining sector, however, and, as a result, used the granting of concessions and joint ventures as a tool to raise funds. With the outbreak of the war, President Kabila also used those assets to maintain the loyalty of his allies. He also utilized the country's resources to obtain military assistance and training, as the case of International Diamond Industries demonstrates. Although it served the immediate interests of the Presidency, the arbitrary nature of the decision-making process in an environment of lawlessness and the absence of a functional government often proved counter-productive, even for the Kabila Government itself.

62. In its fact-finding, the Panel tried to verify how much the war had cost the Democratic Republic of the Congo and its allies and how the costs of the war had been paid, in order to determine whether commercial agreements related to natural resources or the exploitation of other forms of wealth had somehow played a part.

63. Although they cannot be supported by historical budget data, the explanations given by Congolese officials and the Commission of National Experts on the Pillaging and Illegal Exploitation of Natural Resources and Other Forms of Wealth regarding how some of the costs of the war were covered appear credible. In 1999, the Government began to subsidize some of the costs of its allies' military intervention by printing, circulating and using additional currency to pay some of the allied troops. The results were disastrous, however. The foreign soldiers flooded the market with the extra Congolese francs that they exchanged for dollars, which led to a dramatic devaluation in the currency and hyperinflation. According to data compiled by the Commission of Experts, the new Congolese franc depreciated nearly 100 per cent from 1999 to 2000, while inflation rose to over 500 per cent in same period. Well-informed sources told the Panel that the monthly payments have nonetheless continued for the Zimbabwean troops. Labelled "payments to SADC armies", the monthly subsidies amount to CGF 100 million ($300,000) in pay and allowances. The Panel found no evidence that Namibian and Angolan troops have been supported in the same manner.

64. During a meeting in Harare, the Panel learned from President Robert Mugabe that a summit was held in Windhoek in December 1999, to evaluate the situation in the Democratic Republic of the Congo after the signing of the Lusaka Ceasefire Agreement. At the summit, the two heads of State and the Angolan Minister of National Defence, representing the SADC allied forces, informed President Laurent-Désiré Kabila that their extended military presence had to be compensated in some form. President Kabila responded by granting diamond mining concessions in the rich Kasai region, such as the Sengamines concession described above and the Tshikapa concession discussed below.

65. The Panel has information that, owing to the dire economic crisis faced by the country at the start of the war in 1998 and the immediate military threat posed by the attacking forces, the Kabila Government was forced to improvise the means to pay for the country's defence. The Commission of National Experts explained that these extrabudgetary expenditures included informal or secret agreements on the few resources remaining under the Government's control and special contributions to support the war from State enterprises.

66. Documentary evidence gathered shows that, in 1999, over 30 per cent of the first semester earnings of MIBA were transferred to Government accounts. Those transfers were vaguely labelled "payments to fiscal accounts" (*paiements accomptes fiscaux*). It is not clear who within the Government of the Democratic Republic of the Congo controls these accounts, or what the funds transferred to them are used for. Another 11 per cent of the earnings from that period were funnelled directly to the Congolese armed forces. Other transfers from MIBA sales are described in official documents as "deductions for the war effort", amounting to tens of millions of dollars. Testimony from very credible sources corroborates what these documents suggest: a pattern over the past three years of diverting a hefty percentage of MIBA earnings to high-level government officials for their personal benefit, as well as to cover war or military-related expenses.

67. In some cases, it appears that deals were concluded because they were linked, directly or indirectly, to arms and military support. In 1997, the Kabila Government ended the exclusive contract it had with De Beers to buy all of the industrial diamond output of MIBA. Following a period in which Congolese diamonds were sold on the international auction market to the highest bidder, President Kabila reached an agreement with the Israeli-owned International Diamond Industries in August 2000 for a monopoly on diamond sales. According to the terms of the agreement, IDI agreed to pay $20 million in return for a monopoly on sales valued at $600 million annually. The Panel was informed by very credible sources that this deal included unpublished clauses, in which IDI agreed to arrange, through its connections with high-ranking Israeli military officers the delivery of undisclosed quantities of arms as well as training for the Congolese armed forces.

68. IDI ultimately paid only $3 million from the agreed sum of $20 million. President Joseph Kabila decided in April 2001 to end the contract, citing failure to pay as the reason. In his statement, the owner of IDI, Dan Gertler, claimed that IDI had complied with its obligations and alleged that the Government's decision was motivated by the fact that information about the agreement was included in the Panel's final report. The statement also insisted that the Panel did not consult with IDI and demanded that the Panel rectify its report. The Panel requested to meet with IDI representatives in Kinshasa in September 2001. IDI declined this request. IDI is reportedly trying to negotiate some form of compensation for breach of contract with the Government of the Democratic Republic of the Congo.

69. It is important to look at this failed Kabila-Gertler deal as a number of key aspects are significant. On the Congolese side, it comes within a pattern of miscalculated decisions taken by the cash-strapped Laurent-Désiré Kabila, whose main interest was the immediate cash flow. Although there was some discontent within Kabila's entourage at the outrageousness of the deal, it was, nonetheless, not revoked until seven months after it was signed. The Panel has credible information indicating that there is a growing involvement of Israeli businessmen in the region. Taking advantage of the withdrawal of De Beers from conflict diamond regions, a whole network of Israelis was established, including Mr. Gertler in the Democratic Republic of the Congo, Lev Leviev in Angola and Shmuel Shnitzer in Sierra Leone. In all three cases, the pattern is the same. Conflict diamonds are exchanged for money, weapons and military training. These diamonds are then transported to Tel Aviv by former Israeli Air Force pilots, whose numbers have significantly increased both in UNITA-held territory in Angola and in the Democratic Republic of the Congo. In Israel, these diamonds are then cut and sold at the Ramat Gan Diamond Centre.

70. During their meetings with the Panel, members of the Congolese Commission indicated that, as the country moves towards greater political openness, the Kinshasa Government will have to take action on the issue of Zimbabwe's activities in the Democratic Republic of the Congo. The Commission also expressed their view that the question should figure on the agenda of the inter-Congolese dialogue, and that a *protocol d'accord* must be established between the Democratic Republic of the Congo and Zimbabwe to rectify the irregularities, including agreements secretly signed under pressure of the military situation at the time.

71. Further evidence of this collapse of a functional State, and its inability to make decisions in its national interest, is reflected in the stance currently adopted by the Government of the Democratic Republic of the Congo towards the activities being carried out in the rebel-held areas. The Panel has learned, from commercial companies and individual business people who have operated under both the Kinshasa

Government and rebel authorities, that the regulations and procedures have not, for the most part, changed under rebel administrations. In fact, civil servants appointed by the Government are still performing such duties as customs control and tax collection in rebel-held areas. However, the taxes are not received by the Government in Kinshasa but are diverted for the use of the rebels and Uganda and Rwanda. This is acknowledged by the Government of the Democratic Republic of the Congo, which, offered in September 2001 to pay the 37-month arrears and salaries of those civil servants. Furthermore, the Government in Kinshasa appears to have recognized the activities of the commercial entities in the rebel-held areas. One of the many examples is the German-owned company Somikivu, which operates in the eastern Democratic Republic of the Congo, but continues to pay taxes to the rebels and maintains an office in Kinshasa. When asked about the legal status of the commercial entities operating in the rebel-held and occupied territories, the Congolese Minister of Justice informed the Panel during a meeting in September 2001 that none of the concessions had been revoked thus far, and that an evaluation on a case-by-case basis would be conducted when the Government regained control of the areas in which they are operating.

72. To further demonstrate this, the Panel has taken a closer look at the legal status of DARA Forest, a Thai-owned company operating in North Kivu Province. DARA Forest is a Congolese-registered logging company owned by five shareholders. Royal Star Holdings is the main shareholder, and is partly owned by the managing director of DARA Forest, John Kotiram. Besides Mr. Kotiram, there are three Congolese shareholders. In March 1998, DARA Forest registered as a Congolese company in Kinshasa, after which work was begun on building a sawmill in Mangina in North Kivu Province. In June 1998, DARA Forest was granted a 35,000-hectare logging concession from the North Kivu Provincial Authority, which grants these concessions following registration with the central Government. DARA Forest also acquired an exploitation licence from the same authority to buy and export from local loggers. Its exports, which were to the United States and China, started early in 1999, months after the beginning of the war.

73. DARA Forest, which the Panel has found to have complied with all the regulations in effect, currently pays its taxes at the same bank as it did before the area came under rebel control. It also deals with the same customs officials as it did before the rebels took control of the area when it exports its products and imports production equipment. The Panel has also learned that a bimonthly check is conducted by the local Congolese authorities in North Kivu to ensure that DARA Forest is complying with the terms of licences granted to it. Furthermore, DARA Forest was granted on 12 September 2001 a certificate of registration from the Ministry of Justice in Kinshasa. This would appear to be a clear sign of recognition of the company and acceptance of its work in the rebel-held areas by the Government of the Democratic Republic of the Congo.

74. The case of Arslanian Frères also demonstrates the ambiguity of the Government's approach. The diamond company Arslanian Frères, based in Belgium, has an agreement to buy all the stock of the Belco Diamants *comptoir* in Kisangani and to "help them financially when needed" and has been travelling to Kisangani to openly purchase diamonds mined in the rebel-held areas surrounding the town. Nevertheless, one of the owners of the company, Raffi Arslanian, was approached in writing in 2001 by the Government's Minister of Mines to invest in a multi-million-dollar project aimed at reorganizing the State-owned diamond-producing enterprise MIBA.

75. There are many indications that President Joseph Kabila is genuinely interested in bringing about positive changes in his country. The Panel has noted that, not withstanding the political considerations involved in the granting of favourable concessions to his allies, there are serious attempts to attract foreign investment to restructure, modernize and liberalize the remaining State assets in the mining business. In this respect, the country's new mining code is expected to bring about some fundamental and positive changes to the mining industry in the Democratic Republic of the Congo.

Zimbabwe

76. According to information available to the Panel, there are five main factors at play, which helped to shape the Zimbabwean objectives in its involvement in the Democratic Republic of the Congo. One determining factor is Zimbabwe's desire to assert its role within SADC. Supporting the Democratic Republic of the Congo militarily presented such an opportunity. A second factor lies in Zimbabwe's ailing

economy and political system. The results of the gross mismanagement of the economy, unchecked public expenditure, corruption and one-party rule are apparent and are reflected in falling standards of living. Like the land appropriation policy, a military campaign was seen as a means to rally public support for the State's leaders. The third factor is that Zimbabwe had supported President Kabila's AFDL in 1996, pledging $5 million to help finance the efforts to overthrow the Mobutu regime. The fourth, and most notable, factor was the lesson learned from Zimbabwe's military involvement in the civil war in Mozambique. As a revolutionary and freedom fighter, President Mugabe had pledged military forces to that country, only to find that South African businessmen moved in to monopolize the market after the Zimbabwean withdrawal. Government leaders were determined not to make the same mistake in the Democratic Republic of the Congo. There is yet a fifth factor, which the Panel has heard from a number of analysts. The declining exchange rate, the failing Zimbabwean mining industry, and the critical energy shortage in Zimbabwe have left few sources for personal enrichment by Government officials. These officials started looking to the Democratic Republic of the Congo.

77. Zimbabwean commercial activities in the Democratic Republic of the Congo began when Zimbabwean Defence Industries, a company owned by the Zimbabwe Defence Forces, secured the sale of foodstuffs and ordnance to Kabila's troops as they advanced towards Kinshasa. Following the outbreak of the war in 1998, Zimbabwe's new status in the Democratic Republic of the Congo was reflected in the appointment of Billy Rautenbach to head Gécamines, as well as the deal secured for Congo-Duka, a joint venture between ZDI and a Congolese company, General Strategic Reserves, to supply foodstuffs and other consumer goods to the Democratic Republic of the Congo. That company failed, however, because of its unsound financial policy, discouraging the very investors ZDI was hoping to attract.

78. The key figure in Zimbabwe's commercial involvement is Emmerson Mnangagwa. Viewed as a loyal member of ZANU-PF by President Mugabe, Mr. Mnangagwa first became involved in the Democratic Republic of the Congo when President Mugabe sent him in 1998 to investigate the state of the Zimbabwean forces there. Mr. Mnangagwa, the architect of the commercial activities of ZANU-PF, used his leverage on President Kabila, and drew up the first plans for Zimbabwe's commercial designs in the Democratic Republic of the Congo. It was during that phase, in 1999, that Operation Sovereign Legitimacy (OSLEG) was conceived, following the summit held in Windhoek in 1999, at which the allies had demanded compensation for their involvement in the conflict.

79. OSLEG represents the commercial side of the Zimbabwe Defence Forces in the Democratic Republic of the Congo. Its directors are predominantly top military officials. Its principal platform for business ventures has been COSLEG, a joint venture agreement with COMIEX, a company then controlled by the late President Laurent-Désiré Kabila and ranking AFDL officials. The role of OSLEG was defined as that of the partner with "the resources to protect and defend, support logistically, and assist generally in the development of commercial ventures to explore, research, exploit and market the mineral, timber, and other resources held by the State of the Democratic Republic of the Congo". While President Kabila provided the concessions, the Zimbabweans supplied the muscle to secure the commercial activities. Third-party investors have been brought in to furnish needed capital and expertise. Attracting the third party has not been a difficult task, since Zimbabwe's added leverage on the Democratic Republic of the Congo has allowed it to obtain very favourable terms for its deals. The prevailing business environment is another incentive. The constraints of governmental controls and regulations and a functioning legal system to enforce them are often absent. As a result, the Zimbabwean army has been successful in enticing investors, often with off-shore companies, to bankroll and make operational its joint ventures. This pattern now characterizes all of the Zimbabwean exploitation activities, whether with MIBA, Gécamines, SOCEBO or the relatively recent SCEM.

80. It is important to note that the Government of Zimbabwe views these exploitation activities as legitimate commercial ties with a neighbouring sovereign State, to whose aid it had come under the SADC Treaty's collective security provision. The Government of Zimbabwe in fact went to great lengths initially to promote these commercial ventures to its citizens, at times exaggerating their profitability in order to justify the continued Zimbabwean presence in the Democratic Republic of the Congo after the

immediate threat to the Kinshasa Government had subsided. The revenues from these ventures have yet to have a positive impact on Zimbabwe's weakened economy, however. The reason for this is that Zimbabwe's holdings in the Democratic Republic of the Congo seem to be controlled by top military and party officials who are also the direct beneficiaries.

81. In this regard, the Panel has learned that Zimbabwe is currently restructuring its commercial activities in the Democratic Republic of the Congo by reducing the direct involvement of the military and increasing the role of concerned ministries. The indirect involvement of the military would however continue through various management boards.

82. It is true that the Zimbabwe Defence Forces wield considerable influence over the Government of the Democratic Republic of the Congo. This control manifests itself in different ways. As the bulk of the Zimbabwean forces are in the rich Kasai and Katanga regions, the Zimbabwean army ensures that these two regions, which have a history of secessionist tendencies and where almost all of the country's industrialized mineral production is located, are kept under control, especially when unrest arises as the people see their mineral and diamond riches benefiting others. Zimbabwe has also ensured that Kinshasa's inner circle of power includes individuals who see eye-to-eye on Zimbabwean policies. President Joseph Kabila's personal protection is also partly ensured by Zimbabwean Special Forces. However, this does not mean that the Government of the Democratic Republic of the Congo takes decisions with the sole intention of appeasing Zimbabwe. The personal interests of top Congolese officials figure greatly in the decision-making process. Zimbabwe also assures the loyalty of some Congolese officials by incorporating them into the joint ventures and other deals so that they also benefit. In many cases this is done through COMIEX, the main Congolese structure included in Zimbabwe's joint ventures. This company is known to be controlled by the highest Congolese officials. In other cases, prominent Congolese officials are direct minority shareholders in the joint ventures. Thus, while high officials in the Government of the Democratic Republic of the Congo are benefiting from the politically motivated concessions granted to the Zimbabwean army, it is once more the Congolese people who are the losers.

Angola

83. The Panel believes that the involvement of Angola in the Democratic Republic of the Congo is based on strategic concerns. It has faced, in the past, genuine security threats posed by both UNITA and the separatist FLEC movement in Cabinda Province. Its national oil company, Sonangol, also has $7 million to protect in assets at the port of Matadi in the Democratic Republic of the Congo.

84. There is little to suggest that the Government of Angola or its army have substantial commercial interests in the Democratic Republic of the Congo. Angola has sufficient national wealth in terms of diamonds and oil to cover its military needs. As a result, Angola is believed to be the only country that has not received any significant compensation for its military involvement in the Democratic Republic of the Congo.

85. Angola has established one joint venture for distribution and retail sales of fuel and petroleum products. Sonangol-Congo is the most prominent feature of Angola's commercial activities in the Democratic Republic of the Congo following its military intervention in aid of President Laurent-Désiré Kabila. Sonangol-Congo was created in October 1998 as a joint venture between Angola's oil conglomerate, Sonangol, and COMIEX, which is the company that facilitates the Zimbabwean commercial activities in the Democratic Republic of the Congo. Holding 60 per cent of the shares, Sonangol is the major shareholder.

86. Notwithstanding Sonangol-Congo's activities, the Panel believes that the interests of Angola in the Democratic Republic of the Congo remain primarily strategic, with the aim of, among other things, cutting the UNITA supply lines and diamond-smuggling routes. Its present commercial activities do not suffice for, and are not a factor in, its continued military presence in the Democratic Republic of the Congo.

Namibia

87. The involvement of Namibia in the Democratic Republic of the Congo was based on a personal decision taken by President Sam Nujoma. Symbolic at the outset, the Namibian forces in the Democratic Republic of the Congo did not exceed 2,000 troops and are currently estimated to be between 40 and 150.

88. Even this limited military involvement, however, which was estimated to cost $72 million, took its toll on Namibia's fragile economy. This was a factor in the convening of the 1999 Windhoek summit, where the allies asked for compensation from President Kabila.

89. The Panel has verified that in July 1999 the Congolese Ministry of Mines granted concessions in the Tshikapa region to the Namibian holding company, 26 August. Whereas some sources indicate that the 40 Namibian soldiers remaining in the Democratic Republic of the Congo are there to protect the two or three Namibian diamond mines in the area, the Government of Namibia contends that 26 August is still undertaking exploration activities in the region, and that no actual extraction has begun. Accordingly, August 26, which is owned by the Namibian Ministry of Defence, created a subsidiary, August 26-Congo. The five-year concession consists of two blocks of about 25 square kilometres along the Kasai River, 40 km from Tshikapa. Whereas some sources believe that this mine is operational and profitable, none of its profits have registered in the Namibian budget. However, August 26 Holding informed the Panel in Windhoek that August 26-Congo is still in the prospecting phase, and is conducting a feasibility study in association with the Namibian Ministry of Mines and Geology.

90. There have been many reports that individuals, in both the Government and the military, have benefited from Namibia's involvement in the Democratic Republic of the Congo. The Panel believes, however, that the commercial interests of Namibia in the Democratic Republic of the Congo are modest in comparison to those of Zimbabwe and reflect its limited military presence throughout the conflict.

The Uninvited Forces

Rwanda

91. Rwanda entered the war of August 1998 primarily because of its security concerns and the threats posed by the ex-FAR and Interahamwe armed groups. These so-called "negative forces" had sought and found refuge in the Democratic Republic of the Congo, and are actively seeking to regain power in Rwanda. Thus the initial objectives, including the creation by Rwanda in July 1998 in Kigali of RCD, were primarily security-oriented. Accordingly, claims that Rwanda's previous involvement in support of Kabila's AFDL had predetermined its commercial objectives cannot be corroborated. The Panel has however demonstrated in its report the structured way in which the involvement of RPA developed into the full-scale commercial enterprise that it now represents.

92. In its response to the report, the Government of Rwanda accused the Panel of being insensitive to the ongoing threat to Rwanda's security posed by those who perpetrated the genocide, while failing to understand that what the Panel labels as illegal exploitation is in fact ongoing traditional commercial links in the region. While it is true that the landlocked countries of the Great Lakes region have traditionally been dependent on the ports of Mombasa and Dar es Salaam, the mining industry in the eastern Democratic Republic of the Congo mainly transported its diamond and gold output by air through Kinshasa. Timber products were, as explained, transported by river to Kinshasa. As for base metals, they were transported directly to the port of Dar es Salaam using the Tazara railway. This is not to negate the informal cross-border trade in the region. Indeed, the local population of the Democratic Republic of the Congo have always relied on the neighbouring countries for their commercial and trade links. However, this informal cross-border exchange involved mainly consumer goods, petroleum products etc. To the Panel's knowledge, large quantities of coltan, diamonds or gold were not traditionally among the items traded by the people living on or close to the borders.

93. As for the security threats, it should be noted that the declared intention of the Interahamwe and ex-FAR, including ALIR I and II, is to topple the Kagame regime. Security concerns should not however be used as a pretext to maintain a large military presence, which also facilitates continuing exploitation of Congolese resources, in areas of the eastern Democratic Republic of the Congo such as Kisangani and Kindu.

94. Regarding the financial networks used in the exploitation of natural resources by RPA, the Panel met with Alfred Kalisa, Chairman of the Bank of Commerce, Development and Industry (BCDI) in Kigali and also a shareholder in and officer of the Banque de commerce et du développement (BCD) in Kinshasa. Mr. Kalisa confirmed that Tristar Investments SARL, which he described as owned by the ruling Rwandan Patriotic Front, holds 13 per cent

of the shares in BCDI. The 2000 audit report on BCD, set up as a joint venture by the AFDL-controlled COMIEX, shows that Tristar owns 10 per cent of the shares. Mr. Kalisa told the Panel that information in its report regarding a banking transaction for monies paid to COMIEX-AFDL in 1997 was inaccurate. The Panel has been able to corroborate Mr. Kalisa's description of the transaction, in which $3.5 million were transferred from the Banque Belgolaise through Citibank to BCDI for payment to COMIEX. Mr. Kalisa also told the Panel that information in the report regarding a $1 million loan to the RCD-Goma controlled SONEX for payment of fuel bills with Jambo Safari airlines was incorrect. The loan was made, according to Mr. Kalisa, for payment of fuel from Alliance Express airlines.

Uganda

95. Uganda also has some legitimate security threats, which prompted its military intervention in the Democratic Republic of the Congo. In so intervening, the Government of Uganda enacted a protocol between the Democratic Republic of the Congo and Uganda, signed in April 1998, allowing two battalions from each country to cross the border in pursuit of perpetrators of terrorist activities.

96. The Panel notes that Uganda has complied with the presidential statement (S/PRST/2001/13) by establishing a national Commission of Inquiry, the Porter Commission.

97. While the effect of the Panel's report and the significant withdrawal of UPDF troops have given the impression that the exploitation activities have been reduced, they are in fact continuing. The commercial networks put in place by Ugandan army commanders and their civilian counterparts that were described in the report are still functioning in Oriental Province and Kampala. The Trinity and Victoria companies, for example, are still actively exploiting diamonds, gold, coffee and timber. UPDF have thus been able to pull out their troops, while leaving behind structures that permit military officers and associates, including rebel leaders, to continue profiting.

98. While the Government of Uganda does not participate directly in the exploitation activities, the culture in which its military personnel function tolerates and condones their activities. The commercial activities of senior UPDF officers are public knowledge. In an interview with the Panel in August 2001, the now retired General Salim Saleh admitted that, while never having been in the Democratic Republic of the Congo, one of his companies had been engaged in exporting merchandise to the eastern part of the country. He noted that the aircraft transporting the merchandise was initially confiscated by General James Kazini. General Kazini, who also participated in the interview, in turn described his role in facilitating the transport of Ugandan merchandise to Kisangani and other areas in the Democratic Republic of the Congo. In full control of the areas under their administration, General Kazini and others used this power, as they would have done elsewhere, to establish a mechanism to promote their business interests. The characteristics of the area under their control predominantly determine the kind of exploitation activities carried out by UPDF personnel.

99. The Panel has noted that the UPDF officers usually conduct their business through a Congolese affiliate, on whom they bestow power and support. This was the case with Jean-Pierre Bemba, Adele Lotsove and, more recently, Roger Lumbala of the now defunct RCD-National, as well as Mbusa Nyamwisi. Sources have informed the Panel that RCD-National was formed by General Kazini in 2000 from RCD-Goma defectors, who gave them Bafwasende as their base. More recently, the Panel learned that Mr. Lumbala had signed two commercial agreements bearing the signatures of UPDF Commander Kahinda Otafire and Belgian and Austrian parties. In addition, the Panel has learned that, late in December 2000, Lumbala — who is reportedly a front for the monopoly of the Victoria company on the Bafwasende diamonds — was in Kampala delivering diamonds to what the sources termed his "masters". Another activity UPDF officers are involved in is the liberal siphoning off of the customs revenues on the illicit trade between the Democratic Republic of the Congo and Uganda. A very credible source informed the Panel in that regard that Mr. Nyamwisi "skims" up to $400,000 off the tax revenues collected from the Beni customs post at the Uganda border. According to the same source, Mr. Nyamwisi shares this money with General Kazini and General Salim Saleh.

100. There is a link between the continuation of the conflict and the exploitation of the natural resources, in the case of Uganda. Influential Government officials, military officers and businessmen continue to exploit

the security situation for their vested commercial interests.

Burundi

101. The Panel found no evidence directly linking the presence of Burundi in the Democratic Republic of the Congo to the exploitation of resources. Although its army is positioned in the Democratic Republic of the Congo near a traditional trade and transit point for minerals, its presence has been and continues to be directed at blocking attacks from the Burundi rebel groups, particularly FDD, which are based in South Kivu and Katanga.

102. In its reaction to the Panel's report, the Government of Burundi contested the Panel's conclusions that Burundi had been exporting minerals it did not produce, and specifically mentioned the case of diamond exports coinciding with the 1998 occupation of the eastern Democratic Republic of the Congo. In an effort to verify this information, the Panel contacted the Africa Department of IMF, requesting a copy of an IMF memorandum which supports the report's statements. Although IMF representatives confirmed that they were trying to locate the document, the Panel has not been able to obtain a copy of it. In addition, the Minister of Energy and Mines and representatives of Burundi's mining sector provided the Panel with information supporting Burundi's claims that gold, coltan and cassiterite deposits can be found in its northern and north-eastern regions. Modest quantities of coltan and cassiterite have also been produced and exported during the past eight years. The Panel found however that the data on gold production and exports were not coherent, as they confirmed that artisanal gold mining has continued over the past eight years, whereas export statistics recorded zero gold exports from 1997 to 2000. Concerning cobalt, the Panel was informed that there are significant deposits, but that production has not yet been developed. Private sector and Government representatives also stressed that there is no domestic production of copper or diamonds at this time.

103. The Panel confirmed that Burundi has traditionally served as a re-export and transit centre for gold and diamonds originating in the Democratic Republic of the Congo. Much of this trade has however subsided following a three-year embargo imposed on Burundi in 1996. Officials also emphasized that Burundi's inability to control its borders, together with its tradition of cross-border trade, has led to widespread smuggling by small-scale operations.

104. The Government of Burundi also provided the Panel with information to the effect that it had had a legitimate opportunity to profit from the mineral wealth of the Democratic Republic of the Congo in 1997 and had turned it down. A copy of the draft agreement shows that the Congolese Minister of Mines had offered the Government of Burundi and businessmen a joint mining venture in the Bafwasende region for a concession area of 20,000 km^2, with abundant deposits of gold, diamonds, coltan and cassiterite.

VI. Transit countries

105. Although they are not directly involved in the conflict, the Panel has investigated the role of some of the neighbouring countries in the region to establish a more comprehensive picture of the exploitation activities.

South Africa

106. South Africa maintains a neutral stance towards the conflict in the Democratic Republic of the Congo, and is calling for the implementation of the Lusaka Ceasefire Agreement and the end of the conflict. South Africa also maintains close ties with all the parties and is actively involved in the peace process. Its former President, Nelson Mandela, is also the mediator for the Arusha peace process in Burundi.

107. On the commercial level, South Africa is very much involved in the Democratic Republic of the Congo. The Panel was able to see this at first hand during its visit to the northern Zambian border area with the Democratic Republic of the Congo. Around 150 large trucks cross this border every day, carrying foodstuffs, machinery and other products predominantly from South Africa. Many of the trucks transport copper and cobalt to South Africa on the return trip, where it is processed and shipped from the ports of Durban and Nelson Mandela (Port Elizabeth) to its final destinations, thus effectively ending the role of the port of Dar es Salaam as the traditional port of exit for Congolese copper and cobalt. As South Africa is a country with potential water shortages, South African businessmen are currently studying the option

of importing water from the Democratic Republic of the Congo.

108. Large South African mining conglomerates, such as Anglo-American, are active in the Democratic Republic of the Congo. The Panel also has information that these companies play a prominent role in Zimbabwe's concessions in the Democratic Republic of the Congo.

109. The Panel has credible information indicating that various actors, some based in South Africa and others outside, are using the territories and facilities of South Africa to conduct illicit commercial activities involving the natural resources of the Democratic Republic of the Congo. For example, the Panel has evidence that coltan, diamonds, and gold from the Democratic Republic of the Congo are being smuggled into South Africa, either through its porous northern border or through its 4,000 unmonitored airstrips.

Zambia

110. Zambia shares with the Democratic Republic of the Congo the rich copperbelt region. It has also traditionally served as a vital transit artery for the Kasai and Katanga regions. In addition, cross-border trade through its predominantly agricultural north has defined that region's economy. A recently held Zambian export exhibition in Lubumbashi signals a new commercial relationship dominated by Zambian exports to the Democratic Republic of the Congo.

111. Zambia's relative stability, despite the spillover from conflicts taking place in several neighbouring States, should not be misconstrued as an ability to control all the activities related to the exploitation of the resources of the Democratic Republic of the Congo that are carried out within its territory. The Panel has information that various Congolese resources from the Democratic Republic of the Congo transit illegally through Zambia, mainly because of its inability to enforce effective control over its borders. Furthermore, Zambia does not have the capacity to exert much control over the refugee camps in its territory, where training activities have been conducted for incursions carried out from Zambian territory.

112. While activities resulting from the conflict in both Angola and the Democratic Republic of the Congo are carried out beyond Zambia's control, other related activities are carried out with the acquiescence of the high-level officials who have a stake in them. Although the Zimbabwean army in the Democratic Republic of the Congo is predominantly linked to Zimbabwe by air, Zambia has granted land access to the Zimbabwean army to transport heavy equipment through its railway and the Kasumbalesa-Chirundu Highway, despite official denials. It is unclear what is being transported by the Zimbabwean army when it uses this route.

113. The Panel has learned that weapons transit through both Zambia and the United Republic of Tanzania to Molero, where they are stockpiled until they are transferred to the different rebel groups in the Democratic Republic of the Congo.

114. The Secretary-General of COMESA explained to the Panel that the lack of cooperation of the Government of Zambia with the Panel was due to its report, which had hardened the positions of the parties to the Lusaka Ceasefire Agreement.

United Republic of Tanzania

115. The port of Dar es Salaam has traditionally served the landlocked region. The United Republic of Tanzania has maintained a neutral role in the conflict in the Democratic Republic of the Congo. To that effect, the Panel was informed that the United Republic of Tanzania had played a significant role in drafting the Lusaka Ceasefire Agreement. During the Panel's visit to Dar es Salaam, the Government of the United Republic of Tanzania demonstrated hostility towards the Panel. Officials of the Government based that on its strong objections to references made to it in the report. The United Republic of Tanzania denied that timber from the Democratic Republic of the Congo transits through the port of Dar es Salaam. It has also denied allegations that there is a presence of RCD-Goma in Dar es Salaam, and that diamond-smuggling activities have taken place through the Bank of Tanzania. While it acknowledges the country's stringent laws, which in general deter mineral smuggling into the country, the Panel in this instance has documents to corroborate all three allegations. Furthermore, the Panel notes what has been mentioned before about the systematic transportation of coltan from the port of Dar es Salaam. This is yet another established fact of which the Panel has evidence, and which the Government denied. The Government and the Tanzania Harbour Authority have in this case vehemently denied that coltan originating in the Democratic Republic of the Congo has ever been exported from the port of Dar es Salaam. However, as

mentioned earlier, the Panel has proof that this is not the case. It refers, as an example, to the shipment of one container of coltan, which left the port of Dar es Salaam on 13 July 2001 on the Karina S, a Safmarine vessel headed for Hamburg via Antwerp. Safmarine has been systematically transporting coltan for a number of years from Dar es Salaam. Accordingly, the Panel concluded that the Government of the United Republic of Tanzania is complicit in the exploitation activities in the Democratic Republic the Congo.

116. In addition, the Panel was informed that all arms transiting through the United Republic of Tanzania are checked and are accompanied by military escort throughout Tanzanian territory. The Panel has however learned from credible sources that weapons to the armed groups are transiting through the United Republic of Tanzania to Molero in the southern Democratic Republic of the Congo.

117. The role of the United Republic of Tanzania in the exploitation activities remains limited to its role as a strategic transit route.

Kenya

118. Kenya, home to a significant Congolese refugee community, serves as a financial and commercial hub for the Great Lakes region. The port of Mombasa plays a very important role in the transit trade in the region, particularly for the eastern Democratic Republic of the Congo. Statistics show that the volume of transit goods from the Democratic Republic of the Congo quintupled from 1999 to 2000. While there are indications that the TAC air freight company is transporting coltan, and possibly gold, from Bukavu to Europe via Nairobi, there is no evidence that Kenya plays a significant role in the ongoing conflict in the Democratic Republic of the Congo or the exploitation activities.

Central African Republic and Republic of the Congo

119. The Panel has credible information that the Central African Republic, also a diamond producer, is one of the primary transit countries for diamonds smuggled from the Democratic Republic of the Congo. These diamonds are routed mainly through the North-Ubangi area (Equateur Province), the base of the Ugandan-backed MLC rebel group, and the town of Kisangani (Oriental Province), which is effectively under RPA control. This flow includes both diamonds from the Government-controlled Kasai region, smuggled via Kinshasa, and diamonds from the rebel-controlled areas surrounding Kisangani. The Panel has established that these Congolese diamonds are then exported to various overseas diamond-trading centres, accompanied by certificates of origin identifying them as diamonds produced in the Central African Republic.

120. This illicit trade results in large part from the relatively low taxes on diamond exports in the Central African Republic, compared to those imposed by the Government of the Democratic Republic of the Congo and RPA. Many factors contribute to the ease with which this illicit trade is conducted. These include the difficulties of controlling the border along the Oubangui River, mismanagement within the public administration of the Central African Republic and lax air traffic controls.

121. In the Panel's report, Jean-Yves Ollivier was named as a facilitator of exploitation activities in the Ugandan- and rebel-held areas in the Democratic Republic of the Congo. The report mentioned that Mr. Ollivier used Bangui as his rear base for operations. Mr. Ollivier met with the Panel. He explained to the Panel that, while active in the region as an independent political mediator, he is not involved in commercial activities in the Central African Republic and the region.

122. A similar pattern of re-exporting of smuggled Congolese diamonds, resulting from lower export tax rates and the liberalized diamond trade policies, was observed by the Panel in the Republic of the Congo.

VII. Armed groups

National armed groups

RCD-Goma

123. The Congolese rebel group RCD-Goma is the creation of the Rwandan State, and depends financially, politically and militarily on Kigali. Created in Kigali in July 1998, RCD originally combined a diverse selection of Congolese nationals with disparate ideological backgrounds from the diaspora, including remnants of the Mobutu regime and former Kabila associates. Following a divergence over who should assume control, RCD split into RCD-Goma and RCD-ML. The latter then switched allegiance to Uganda and

relocated to Kisangani. Following the ousting of Ernest Wamba dia Wamba, RCD-Goma is currently headed by Adolphe Onusumba.

124. This group has faced more defections recently. Mbusa Nyamwisi, a physician with strong ties to South Africa, is now heading RCD-ML and is supported by Uganda. Uganda has actively tried to weaken RCD-Goma, and hence Rwanda's hold on the eastern Democratic Republic of the Congo.

125. RCD-Goma has assumed control of all the State administration functions in the areas it holds. Taxes and customs duties collected go directly to the rebel group's top officials.

126. RCD-Goma has received a hard blow with the fall in the price of coltan, which it exploits and levies taxes on. The rebel group has had to resort to different fiscal tactics to regain its financial stature. The raising of taxes retroactively, and enforcing customs duties on humanitarian aid, are some of the extreme measures they have had to resort to. It is also believed that the fall in the price of coltan has had a positive effect on the relative flexibility demonstrated by this group during the preparatory meeting for the inter-Congolese dialogue in Gaborone.

127. There is a link between the exploitation of the resources and the ongoing efforts of RCD-Goma to continue the conflict, or at least to maintain the status quo.

RCD-ML

128. Following its secession from RCD-Goma and Rwanda, RCD-ML was plagued by in-fighting; it later merged with MLC to form FLC.

MLC/FLC

129. Led by Jean-Pierre Bemba, MLC/FLC has been Uganda's equivalent of Rwanda's RCD. The son of the affluent Congolese businessman and politician, Bemba Saolana, Jean-Pierre Bemba quickly understood the tactics of UPDF personnel, contributed, and as a result benefited greatly during the initial phase of the exploitation of resources. In his meeting with the Panel in September 2001, Mr. Bemba strongly refuted the charges against him mentioned in the report and also produced some documents supporting his claims.

130. However, Mr. Bemba's ambitions and his association with certain Mayi-Mayi groups were perceived as a threat to Uganda's presence. Accordingly, he had to accede to sharing power with the leader of RCD-ML, Ernest Wamba dia Wamba, in the new FLC coalition.

Mayi-Mayi

131. The Mayi-Mayi were formed in 1996 in reaction to the dominant presence of foreign troops within the AFDL forces of President Kabila. The founding member is said to be General Dunia and his group is located in the Fizi area. As from August 1998, the Mayi-Mayi have considered the Rwandan army their principal enemy. Some Mayi-Mayi groups are based in or have established vaguely structured presences in the United Republic of Tanzania.

132. The Mayi-Mayi, who consider themselves to be a nationalist militia, use their control of the terrain and knowledge of enemy movements to obtain arms from victories in battle. The Mayi-Mayi have denied to the Panel that they use funds from sales of natural resources to buy arms. In fact, they have said that the Mayi-Mayi groups are fighting RPA and RCD to deny them the control of resources such as coltan, diamonds and gold. They view the income generated from these resources as the sole motivation for the continued occupation by the Rwandan military. The Mayi-Mayi do not have a sufficient trade network to be able to rely on resource exploitation to support their military efforts. On one occasion, having seized control of the Shabunda airport, the Mayi-Mayi contacted the Government of the Democratic Republic of the Congo to evacuate stockpiles of coltan. The Mayi-Mayi occasionally receive financial support from Kinshasa, by airdrop. This is used for purchases of food and medicine.

133. The Panel has highly credible information that in the lead-up to the inter-Congolese dialogue, Mayi-Mayi leaders in the Democratic Republic of the Congo have been secretly establishing connections with Middle East countries in order to build up a new consolidated Mayi-Mayi force in the eastern Democratic Republic of the Congo. These leaders hoped to obtain arms and other military materiel in exchange for natural resources and bilateral trade activities.

* * *

134. In analysing the activities of the national armed groups, the Panel was able to establish the following patterns:

(a) All groups have a central political leadership and a fluid military corps. That is, the armed soldiers affiliated with these groups, a large number of whom are ex-FAZ, identify more with a region than with a movement;

(b) Claiming control over a territory is not automatically equated with a physical presence in that area. There are also many overlapping zones of influence. Actual physical control is, however, determined by the resources in that area. This results in grave suffering for those unfortunate enough not to be living in a resource rich area, as they do not even receive the meagre, diminished, services provided by the rebel administration.

Foreign armed groups (the negative forces)

135. A significant number of foreign rebel groups operate in the Democratic Republic of the Congo, taking advantage of the support granted to them by the Kinshasa Government and its allies, as well as the state of lawlessness that prevails throughout the vast expanse of the territory. These groups include the Ugandan ADF, the West Nile Bank Front and the recently formed PRA. There have been conflicting reports about the current level of activity of the Ugandan rebel groups in the Democratic Republic of the Congo. The Angolan rebel groups, UNITA and FLEC, have also used and operated in the territory of the Democratic Republic of the Congo. In addition, there are the FDD and FNL rebel groups from Burundi. However, the Panel concentrates in this section on the Rwandan ex-FAR and Interahamwe, part of which have regrouped within ALIR I and II, as well as FDD.

FDD

136. Zimbabwe and the Government of the Democratic Republic of the Congo supply arms to the FDD rebels. These weapons are often bartered and exchanged with other armed groups. The officers and non-commissioned officers are also trained by the Zimbabwean army, and reportedly by North Korean military, in Lubumbashi. In exchange, FDD forces, acting essentially as mercenaries, fight alongside the Mayi-Mayi and ALIR forces against RCD-Goma, RPA and the Burundi army. There is, however, no joint or coordinated command between these groups. Short-term alliances have been established for tactical purposes. It appears that FDD function as the focal point in coordinating this loose-knit alliance among the armed groups.

137. There are an estimated 5,000 to 6,000 FDD combatants in the Democratic Republic of the Congo, armed with Kalashnikovs. Given the difficult terrain and fighting conditions, each combatant is usually accompanied by porters, armed with machetes. One could consider that the troops are backed by thousands of porters who could eventually be transformed into combatants.

138. The head of FDD, Jean-Bosco Ndayikengurukiye, is based in Lubumbashi. He is rumoured to control or own mining interests in the Katanga region, the profits from which he uses to cover some of his senior officers' expenses.

139. FDD are in part supplied by aircraft using a small airstrip in Kilembuye in the Mitumba mountains, west of Bukavu and Uvira. There have been clashes with the Mayi-Mayi for control of the airstrip. The airstrip had been used by ADFL in 1996 and 1997.

140. FDD recruit youth, who are promised land in Burundi as an enticement, from the nearby refugee camps in the United Republic of Tanzania, which now shelter several hundred thousand refugees. They have scored small military victories in rather isolated areas of Burundi.

Interahamwe and ex-FAR (ALIR I and II)

141. After an unsuccessful month-long offensive against RPA that began in May, the remnants of ALIR I dispersed through the North Kivu region, mostly around Masisi. Reportedly planned with the support of the Zimbabwean army, the offensive failed owing to the inability of the ALIR I and II forces to coordinate their attacks and a lack of support from the Rwandan population. Since their top commander was captured by RPA, the remaining ALIR I forces have carried out sporadic attacks mostly for the sake of survival. Some attacks have reportedly involved attempts to seize coltan stocks and other resources. ALIR I is believed to be seriously weakened and to no longer pose a serious threat, many of its troops having been captured and placed in a rehabilitation camp in Rwanda.

142. ALIR II, over 5,000 strong, is mostly based in South Kivu, near Shabunda, Fizi and Baraka, but also has a command and liaison presence in Lubumbashi in Katanga Province. Some of its troops are reportedly recruited from the Zambian refugee camps. As part of a fluid, ongoing alliance with FDD and the Mayi-Mayi, they reportedly have been clashing with RCD-Goma and Rwandan and Burundian forces in the South Kivu region. The continued, and sometimes intensifying, fighting appears aimed, in the opinion of many informed sources, at either controlling a corridor into Burundi or continuing to destabilize the region so as to prevent an effective demobilization effort from getting under way. Credible sources also indicate that several thousand ALIR combatants were recently incorporated into the Congolese Armed Forces. During the visit of the Secretary-General to the Democratic Republic of the Congo in September, President Kabila announced that 3,000 ex-FAR and Interahamwe soldiers located in Kamina (Katanga Province) would be demobilized, under the supervision of the United Nations Organization Mission in the Democratic Republic of the Congo.

VIII. Conclusions

143. The systematic exploitation of natural resources and other forms of wealth of the Democratic Republic of the Congo continues unabated. These activities involve a large number of State and non-State actors, belonging both to the region and outside, some directly involved in the conflict, others not. The exploitation has resulted in the further enrichment of individuals and institutions, who are opportunistically making use of the current situation to amass as much wealth as possible.

144. Without a resolution of the broader conflict in the Democratic Republic of the Congo and the region, it would be highly unrealistic to expect an end to the exploitation of natural resources and other forms of wealth in the country. Exploitation of natural resources in the Democratic Republic of the Congo cannot be viewed and dealt with in isolation, disregarding the factual situation existing in the area. It needs to be realized that this is one part of the problem which is inextricably linked to other serious issues in the region.

145. A primary and fundamental reason for the continuing and systematic exploitation by various "predatory" groups operating in the country is the effective collapse of all State institutions and structures of the Democratic Republic of the Congo. Unable or unwilling to resist any pressure, it is vulnerable in the extreme. It must be remembered that a weak State offers significant financial opportunities and rewards to unscrupulous elements operating under the garb of various Governments, businesses, mafias, individuals etc. It would be highly unrealistic to expect a State under such conditions to exercise even a modicum of authority over its territory. In order to redress this grave condition, it is of the utmost importance to start rebuilding the State institutions. This will require a systematic and sustained approach stretching over many years, and with the full assistance and cooperation of the international community.

146. The conflict continues at a low intensity level, mainly by the various armed groups confronting the foreign forces so as to deny them access to and control of various resources. However, the ceasefire is generally respected on the front line, leaving the exploitation of the resources as the main activity of the foreign troops, as well as the different armed groups, where the former tolerate the activities of the latter as a controlled military opposition to ensure the continuation of the security threats, and hence justify their continued military presence in the Democratic Republic of the Congo.

147. Accordingly, there is a clear link between the continuation of the conflict and the exploitation of natural resources. It would not be wrong to say that one drives the other. The military operations and presence in the Democratic Republic of the Congo of all sides have been transformed into self-financing activities, whereby no real budgetary burden is borne by the parties concerned. This allows them a greater degree of freedom and no financial compulsion to end the conflict.

148. The initial motivation of foreign countries or armies to intervene in the Democratic Republic of the Congo was primarily political and security-related in nature; over a period of time, and owing to the evolving nature of the conflict, it has become the primary motive of extracting the maximum commercial and material benefits. This holds true for both government allies and rebel supporters.

149. Owing to the prolonged nature of conflict and civil war in the region, many countries appear to have a sense of heightened insecurity and suspicions about

their neighbours' motives. Countries involved in the conflict should not, however, be allowed to use this as a pretext for furthering their own national ambitions and agendas.

150. Contrary to its strong protestations, the Government of the Democratic Republic of the Congo has been involved in allowing some foreign companies to continue the exploitation of resources in rebel-occupied areas without renouncing or cancelling any concessions. This is borne out by the fact that some ministries in Kinshasa maintain contacts with these companies, with whom they actively interact.

151. The actual sources for financing the war effort by all parties in the conflict, including the Democratic Republic of the Congo, remain shrouded in mystery. No clear answer was given by anyone the Panel questioned and it was evident that there was much to conceal and not make public. The official defence budgets of countries engaged in the hostilities, in those cases where selected information was provided, clearly indicate that these countries could not afford the cost of their involvement in the Democratic Republic of the Congo. It is evident that in such cases the war effort was financed from extrabudgetary sources, giving rise to much suspicion and misgivings. Some of the international aid may have been misused for financing the conflict. This can be misconstrued as recognition and acceptance of their activities in perpetuating the conflict in the Democratic Republic of the Congo.

IX. Recommendations

Institutional

152. To enable the Democratic Republic of the Congo to have effective control over its territory and to protect its natural resources from illicit activities, the international community should assist in formulating a plan of action on the rebuilding of State institutions in the Democratic Republic of the Congo. This should be linked to the convening of an international conference on peace and development in the Great Lakes region.

153. All concessions, commercial agreements and contracts signed during the era of Laurent-Désiré Kabila (1997-2001) and subsequently in the rebel-held areas, including such concessions, contracts and commercial agreements signed secretly and under duress, should be reviewed and revised to address and correct all the irregularities. In redressing these contractual obligations, the renegotiation process should be conducted under the auspices of a special body to be created by the Security Council. This process will enhance President Joseph Kabila's efforts towards rebuilding and reconstructing his country in a transparent and structured manner, which would encourage the genuine foreign investment of which the Democratic Republic of the Congo is in such dire need. Establishment of a broad-based government of national unity may facilitate this process.

154. The United Nations Organization Mission in the Democratic Republic of the Congo should accelerate the disarmament, demobilization and reintegration process in order to reduce the security concerns expressed by a number of States in the region, including the Democratic Republic of the Congo, to a level that makes it possible for the countries concerned to negotiate among themselves the modalities of securing their borders without infringing upon the sovereignty of any State.

Financial and technical

155. The World Bank, IMF and the other international donors are best placed to critically evaluate their assistance. Those international donors may consider submitting to the Security Council, within the shortest possible time, their assessment of the role of their assistance in helping to finance the continuation of the conflict and the maintenance of the status quo in the Great Lakes region.

156. A moratorium should be declared for a specific period of time banning the purchase and importing of precious products such as coltan, diamonds, gold, copper, cobalt, timber and coffee originating in areas where foreign troops are present in the Democratic Republic of the Congo, as well as in territories under the control of rebel groups.

157. During the period of the moratorium, countries directly or indirectly involved in the conflict in the Democratic Republic of the Congo — in particular transit countries such as Zambia, South Africa, Kenya and the United Republic of Tanzania — should review their national legislation, and pass the necessary laws to investigate and prosecute the illicit traffickers of the high-value products from the Democratic Republic of the Congo.

158. During the same period, all technical measures that are under consideration should be finalized, such

as the standardization of certificates of production, harmonization of tax regimes and verification regulations, compilation of analyses of diamond production and trade statistics. These measures should be monitored to verify their effectiveness by the related bodies such as the World Diamond Council, the United Nations Forum on Forests and CITES. Emphasis on standardization and unification of procedures and regulations should also be placed at the ports of entry at the final destination.

159. Revenues from the resources of the Democratic Republic of the Congo should be channelled through States' budgets. Tax collection and use should be rigorously controlled, transparent and accountable.

Sanctions

160. The Security Council may consider the imposition of sanctions. The timing of such sanctions would depend, however, on the evolution of the situation with regard to the exploitation of the natural resources of the Democratic Republic of the Congo, as well as developments in the Great Lakes region, after the present addendum is issued. Pending any action that the Security Council may decide to take, there is a need to establish a monitoring and follow-up mechanism, which would report on a regular basis to the Security Council on whether progress has been made in exploitation activities and other issues under consideration by the Council, prior to a decision on sanctions.

(*Signed*) Mahmoud **Kassem**, Chairman

(*Signed*) Mujahid **Alam**

(*Signed*) **Mel Holt**

(*Signed*) Henri **Maire**

(*Signed*) Moustapha **Tall**

(*Signed*) Gilbert **Barthe**

Annex I

Countries visited and representatives of Governments and organizations interviewed

The Panel wishes to express its deep appreciation to the government officials, diplomats, non-governmental organizations, journalists and others with whom the Panel met and who have assisted it in making possible the present addendum. The Panel would especially like to express its gratitude for the high level of cooperation extended to it by the Governments of Burundi, Namibia and Uganda.

The Panel, however, expresses its disappointment at the lack of adequate cooperation from the Governments of South Africa, the United Republic of Tanzania, Zambia and Zimbabwe.

The Panel also wishes to extend special thanks to the United Nations Organization Mission in the Democratic Republic of the Congo, and, in particular, both Ambassador Kamal Morjane and Ambassador Amos Namanga Ngongi; the United Nations Office at Nairobi, the United Nations Office in Angola and the United Nations Office in Burundi, as well as the United Nations Development Programme offices in Bujumbura, Dar es Salaam, Harare, Kampala, Kigali, Lusaka, Pretoria and Windhoek.

The following is the list of government officials and others with whom the Panel met during the course of its mandate. This list does not include many others with whom the Panel met, who, in their interest, did not wish to be mentioned.

Angola

Government officials
Minister for Foreign Affairs
Minister of Defence
Minister of the Interior
Minister and Vice-Minister of Geology and Mines
Minister of Petroleum
Governor of the Central Bank
Vice-Minister of Commerce
Vice-Minister of Finance
Chairman of Sonangol

State representatives
Ambassador of Belgium
Ambassador of France
Ambassador of the United Kingdom of Great Britain and Northern Ireland
Embassy of Portugal
Embassy of the United States of America

International organizations
Representative of the Secretary-General in Angola

Others
Chairman and General Director of the Angola Selling Corporation (ASCORP)

Belgium

Government officials
Ministry of Foreign Affairs
Ministry of Economic Affairs

Others
Chairman of the Belgian (Geens) Parliamentary Commission of Inquiry on the Illegal Exploitation of the Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo
Diamond High Council (HRD), Antwerp
University of Antwerp
International Peace Information Service (IPIS)

Burundi

Government officials
His Excellency President Pierre Buyoya
His Excellency Vice-President Domitien Ndayizeye
Minister for Foreign Affairs
Minister of Defence
Minister of Commerce and Industry
Minister of Energy and Mines
Minister of Finance
Department of Customs
Bank of the Republic of Burundi

State representatives
Embassy of Belgium
Embassy of the Democratic Republic of the Congo
Embassy of the United States of America

International organizations
Representative of the Secretary-General in Burundi
Heads of the United Nations agencies
World Bank

Others
Association de banques commerciales
Comptoir minier des exploitations du Burundi (COMEBU)
Burundi Mining Company (BUMINCO)
International Rescue Committee

Central African Republic

Government officials
Ministry of Mines, Energy and Hydraulics
Central Bank of the States of Central Africa
Office de la réglementation de la commercialisation et du contrôle des produits agricoles

State representatives
Embassy of France
Embassy of the Democratic Republic of the Congo
Honorary Consul of Belgium
European Union

International organizations
Representative of the Secretary-General in the Central African Republic
UNDP

Others
Diamond export *comptoirs*

Democratic Republic of the Congo

Government officials
His Excellency President Joseph Kabila
Minister for Foreign Affairs
Minister to the Presidency
Minister of National Security and Public Order
Minister Delegate of Defence
Minister of Economy, Finance and Budget
Minister of Justice
Minister of Planning and Reconstruction
Minister of Agriculture
Minister of Health
Minister of Environment and Tourism
Minister of PTT
Minister of Transport and Communications
Minister and Vice Minister of Mines and Hydrocarbons
OFIDA (Office of Customs and Excise)

State representatives
Ambassador of Angola
Ambassador of Belgium
Ambassador of Namibia
Ambassador of the United Kingdom of Great Britain and Northern Ireland
Embassy of France
Embassy of the United States of America

International organizations
Special Representative of the Secretary-General in the Democratic Republic of the Congo
MONUC Force Commander and Chief of Staff
Major General Chingombe, SADC Task Force Commander
UNDP Resident Coordinator and Deputy Resident Coordinator

Others
Jean-Pierre Bemba, MLC/FLC
Banque de commerce et du développement
Commission of National Experts on the Pillaging and Illegal Exploitation of Natural Resources and Other Forms of Wealth
COMIEX
COSLEG

Catholic Relief Services
Group Forrest
International Human Rights Law Group
Kababankola Mining Company
Kisenge Manganese
Oxfam (United Kingdom)
Sengamines
SOCEBO
SODIMICO

France

Ministry of Foreign Affairs

Kenya

Government officials
Minister of Foreign Affairs
Office of the President
Ministry of Finance and Planning
Ministry of Trade and Industry
Ministry of Transport and Communications
Ministry of the Environment and Natural Resources
Department of Defence
Customs and Excise Division
Port Authority, Port of Mombasa
Customs Division, Port of Mombasa

State representatives
Ambassador of Belgium
Ambassador of China
Ambassador of France
Ambassador of Rwanda
Ambassador of Switzerland
Ambassador of Thailand
Ambassador of the United States of America
High Commissioner of Uganda
High Commissioner of the United Republic of Tanzania
High Commissioner of Zambia
Embassy of the Democratic Republic of the Congo
Embassy of Germany
Embassy of the Netherlands
Embassy of the Sudan
High Commission of South Africa
High Commission of the United Kingdom
Head of the European Commission delegation

Namibia

Government officials
His Excellency President Sam Nujoma
Minister and Deputy Minister for Foreign Affairs
Minister of Defence
Minister of Trade and Industry

Minister of Mines and Energy
Permanent Secretary of the National Planning Commission
Office of the President

State representatives
High Commissioner of the United Kingdom of Great Britain and Northern Ireland
Ambassador of France
Head of the European Commission delegation

International organizations
UNDP Resident Coordinator

Others
August 26 Holding Company

Republic of the Congo

Government officials
Department of Customs

State representatives
Ambassador of Belgium
Ambassador of France
Embassy of the Democratic Republic of the Congo
European Union

Rwanda

Government officials
His Excellency President Paul Kagame
Office of the President, Special Envoy for the Democratic Republic of the Congo and Burundi
Deputy Chief of Staff of the Rwandan Patriotic Army
Minister of Commerce
Minister of Energy, Water and Natural Resources
Permanent Secretary of the Ministry of Foreign Affairs
Permanent Secretary of the Ministry of Finance
Permanent Secretary of the Ministry of Defence
Ministry of Justice
National Bank of Rwanda
Rwanda Revenue Authority
Magasins généraux du Rwanda (MAGERWA)

State representatives
Ambassador of the United Kingdom of Great Britain and Northern Ireland
Embassy of Belgium
Embassy of Canada
Embassy of France
Embassy of Germany
Embassy of the Netherlands
Embassy of South Africa
Embassy of Switzerland
Embassy of the United States of America

International organizations
World Bank
Heads of the United Nations agencies

Others
Federation of the Rwandan Private Sector (FSPR)
Federation of Customs Clearance Commissioners
Bank of Commerce, Development and Industry (BCDI)
Rwandan Bankers Association
Banque commerciale du Rwanda
Banque de Kigali
Eagles Wings Resources
Rwanda Metals SARL
SOGERMI SARL

South Africa

Government officials
Department of Foreign Affairs
Government Diamond Valuator

State representatives
Ambassador of Belgium
Ambassador of the Democratic Republic of the Congo
Ambassador of France

International organizations
Heads of the United Nations agencies

Others
Institute for Strategic Studies
Anglo American Corporation

Uganda

Government officials
His Excellency President Yoweri Museveni
Minister for Foreign Affairs
Minister of Defence
Minister of Finance, Planning and Economic Development
Minister of Agriculture
Minister of Tourism, Trade and Industry
Minister of State for Mineral Development
Minister of State for Environment
General James Kazini
Lieutenant Colonel Nobel Mayumbu

State representatives
High Commission of the United Kingdom of Great Britain and Northern Ireland
Embassy of France

International organizations
Resident Representative of the World Bank
Resident Representative of the International Monetary Fund

Others
General (Ret.) Salim Saleh
The Ugandan Commission of Inquiry (Porter Commission)
British Broadcasting Corporation (BBC)
The East African
The Monitor
The New Vision
DARA Forest

United Kingdom of Great Britain and Northern Ireland

Government officials
Foreign and Commonwealth Office
Customs and Excise

Others
Amnesty International
Africa Confidential
Global Witness
British Petroleum
De Beers
Anglo American Corporation
America Mineral Fields
Oxfam
Hart Ryan Productions

United Republic of Tanzania

Government officials
Permanent Secretary of the Ministry of Foreign Affairs
Permanent Secretary of the Ministry of Defence
Permanent Secretary of the Ministry of Energy and Minerals
Ministry of Industry and Trade
Ministry of Home Affairs
Governor of the Bank of Tanzania
Tanzania Harbour Authority

United States of America

World Bank
International Monetary Fund

Zambia

Government officials
His Excellency President Frederick Chiluba
Minister of Defence
Minister of Finance and Economic Development
Minister of Commerce, Trade and Industry
Minister of State for Presidential Affairs
Permanent Secretary of the Ministry of Foreign Affairs
Permanent Secretary of the Ministry of Mines and Mineral Development

State representatives
Ambassador of the United States of America
Embassy of the Democratic Republic of the Congo
Embassy of France

International organizations
Secretary-General of COMESA
SADC Mining Coordinator

Others
Afronet

Zimbabwe

Government officials
His Excellency President Robert Mugabe
Minister of Mines and Energy
Minister of Transport and Communications
Minister of Environment
Permanent Secretary of the Ministry of Foreign Affairs
Chief of the Army

State representatives
Ambassador of Belgium
Ambassador of France

International organizations
United Nations Resident Coordinator

Others
Commercial Farmers' Union
Zimbabwe Defence Industries

Annex II

Abbreviations

AFDL	Alliances des forces démocratiques pour la libération du Congo-Zaïre (Alliance of Democratic Forces for the Liberation of Congo-Zaire)
ADF	Allied Democratic Forces
ALIR	Armée pour la libération du Rwanda (Army for the Liberation of Rwanda)
BCD	Banque de commerce et du développement (Trade and Development Bank)
BCDI	Banque de commerce, de développement et d'industrie, Kigali
coltan	columbo-tantalite
COMESA	Common Market for Eastern and Southern Africa
COMIEX	Compagnie mixte d'import-export
COSLEG	COMIEX-OSLEG joint venture
FAC	Forces armées congolaises
ex-FAR	former Forces armées rwandaises
FDD	Forces pour la défense de la démocratie
FLC	Front de libération du Congo
FLEC	Frente para a Libertaçao do Enclave de Cabinda (Front for the Liberation of the Enclave of Cabinda)
FNL	Forces nationales pour la libération
Gécamines	Générale des carrières et des mines
IDI	International Diamond Industries
IMF	International Monetary Fund
LRA	Lord's Resistance Army
MIBA	Societé minière de Bakwanga
MLC	Mouvement de libération congolais
MONUC	United Nations Organization Mission in the Democratic Republic of the Congo
OSLEG	Operation Sovereign Legitimacy
PRA	People's Redemption Army
RCD	Rassemblement congolais pour la démocratie (Rally for Congolese Democracy)
RCD-Goma	Rassemblement congolais pour la démocratie, based in Goma

RCD-ML	Rassemblement congolais pour la démocratie — Mouvement de libération, initially based in Kisangani, now based in Bunia
RCD-National	Rassemblement congolais pour la démocratie, was based in Bafwasende
RPA	Rwandan Patriotic Army
RPF	Rwandan Patriotic Front
SADC	Southern African Development Community
SCEM	Société congolaise d'exploitation minière
SOCEBO	Société d'exploitation du bois
SOMIKIVU	Société minière du Kivu
Sonangol	Sociedade Nacional de Combustiveis de Angola
UNDP	United Nations Development Programme
UNITA	União Nacional para a Independência Total de Angola (National Union for the Total Independence of Angola)
UPDF	Uganda People's Defence Forces
ZANU-PF	Zimbabwe African National Union-Patriotic Front
ZDF	Zimbabwe Defence Forces
ZDI	Zimbabwe Defence Industries

United Nations S/2001/1073

Security Council

Distr.: General
14 November 2001
English
Original: Spanish

Letter dated 12 November 2001 from the Permanent Representative of Panama to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a document from the Ministry of Foreign Affairs of the Republic of Panama entitled "Reply of the Government of Panama to statement by the Permanent Representative of Cuba to the United Nations", referring to the situation of various alleged Cuban-American terrorists detained in the Republic of Panama (see annex).

I should be grateful if you would have this letter and its annex circulated as a document of the Security Council.

(*Signed*) Ramón A. **Morales Q.**
Ambassador
Permanent Representative

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Annex to the letter dated 12 November 2001 from the Permanent Representative of Panama to the United Nations addressed to the Secretary-General

Reply of the Government of Panama to statement by the Permanent Representative of Cuba to the United Nations

Since 1 October 2001, during the debate in the United Nations on international terrorism, the Government of Cuba has been making reckless and offensive statements about the Republic of Panama because of the proceedings initiated against the alleged terrorist Luis Posada Carriles and three other Cuban-Americans.

After protesting its attachment to international law, the Charter of the United Nations and international conventions, the Government of Cuba distorts the concepts of prudence and moderation embodied therein by engaging in irresponsible speculation concerning the judicial process in Panama.

In order to remedy the obvious ignorance of the Cuban authorities concerning the proceedings involving Mr. Luis Posada Carriles and others, the Government of Panama wishes to state the following:

1. During the tenth Ibero-American Summit, Posada Carriles and other individuals were detained in Panama by the judicial investigation authorities for an alleged attempt to assassinate President Fidel Castro Ruz.

2. Since their arrest in November 2000, the Panamanian judicial authorities have undertaken the appropriate proceedings, with full respect for human rights, due process and participation by Counsel for the accused.

3. Historically, Panama has supported and defended the international legal rule concerning the competence of local courts to try those accused of offences committed in the sovereign territory of a country.

4. Posada Carriles and his alleged accomplices have been accused of conspiracy to commit an offence in Panama and are being detained until their fate has been decided by a court of justice.

5. Unlike Cuba, Panama does not hold summary trials; evidence cannot be presented in an arbitrary or discriminatory manner, and persons awaiting trial are entitled to their own legal assistance or, failing that, to legal assistance, provided by the State free of charge.

6. In Panama, in accordance with the Constitution, courts of justice are independent and — contrary to the situation in Cuba — are not answerable to Councils of State, legislative assemblies or political parties.

7. The death penalty does not exist in Panama.

8. Cuba's request for the extradition of Posada Carriles and his alleged accomplices was denied by Panama as inadmissible, since the accused are the subject of judicial proceedings corresponding to the offences which they are accused of committing in the national territory of Panama, and because there is no reciprocity by the Government of Cuba vis-à-vis Panama in this regard.

Lastly, the Government of Panama rejects outright the inapposite allegation by the Permanent Representative of Cuba to the United Nations contained in Security Council document S/2001/1039, issued on 2 November 2001, to the effect that the Government of the United States of America is exerting pressure to have the Panamanian courts free Posada Carriles and his alleged accomplices. It also forcefully rejects an earlier absurd insinuation by the representative of Cuba to the effect that Panama plans to allow them to escape judgement by the courts.

The zealous attempts by the Government of Cuba to discredit Panamanian justice will not lead to any violation of the right of Posada Carriles and his alleged accomplices due to process of law.

12 November 2001

United Nations S/2001/1074

Security Council

Distr.: General
15 November 2001
English
Original: Arabic

Letter dated 13 November 2001 from the Ministers for Foreign Affairs of Algeria, Egypt, the Libyan Arab Jamahiriya, Mauritania, Morocco, the Syrian Arab Republic and Tunisia addressed to the President of the Security Council

The Committee of Seven of the League of Arab States entrusted with the task of monitoring the Lockerbie issue presents its compliments and wishes to inform you that it held a meeting in New York on 13 November 2001 to discuss the latest developments with respect to the issue. It deems it appropriate to inform the Security Council as follows:

Under Security Council resolution 1192 (1998), a solution to the Lockerbie issue was reached by which the two accused would be tried by a Scottish court sitting in the Netherlands and the sanctions imposed on the Libyan Arab Jamahiriya would be suspended immediately on their appearance before the court. The sanctions were then to have been lifted on submission of the report requested of the Secretary-General in paragraph 6 [i.e. 16] of Security Council resolution 883 (1993).

Although the two accused appeared before the court in question and although more than two and a half years have elapsed since the Secretary-General submitted the report requested of him (S/1999/726), indicating that the Libyan Arab Jamahiriya had discharged all of its obligations, the Security Council has still not managed to lift the sanctions imposed on that country.

The League of Arab States, which, together with the Organization of African Unity, played a major part in the solution that was reached under the resolution in question, reaffirms its past resolutions on this subject, the most recent being that adopted by the Arab Summit Conference held in Amman (resolution 210 of 28 March 2001).* As it calls attention to the full compliance of the Libyan Arab Jamahiriya with the requirements of the relevant Security Council resolutions, the League deeply regrets the fact that the Security Council has yet to adopt a resolution lifting the sanctions in place.

After all the efforts it has made to solve this problem, the Libyan Arab Jamahiriya is entitled to regard with suspicion and doubt the delay in raising the sanctions definitively, especially when the judgement of the court has raised suspicion concerning the influence exerted by parties outside the legal framework of

* Issued as document S/2001/349, annex.

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the trial. This causes the League of Arab States deep concern at the persistence of this situation.

As we transmit to you herewith the text of the resolution adopted by the Arab Summit Conference held in Amman on 27 [i.e. 28] March 2001, we call upon the Security Council immediately to lift, once and for all, the sanctions imposed on the Libyan Arab Jamahiriya.

We should be grateful if you would have this letter circulated as a document of the Security Council.

(*Signed*) Habib **Ben Yahia**
Minister for Foreign Affairs
of the Republic of Tunisia

(*Signed*) Ahmed **Maher El-Sayed**
Minister for Foreign Affairs
of the Arab Republic of Egypt

(*Signed*) Abdelaziz **Belkhadem**
Minister for Foreign Affairs of the
People's Democratic Republic of Algeria

(*Signed*) Mohamad **Benaïssa**
Minister for Foreign Affairs
of the Kingdom of Morocco

(*Signed*) Farouk **Al-Shara'**
Minister for Foreign Affairs
of the Syrian Arab Republic

(*Signed*) Dah **Ould Abdi**
Minister for Foreign Affairs
of the Islamic Republic of Mauritania

(*Signed*) Abdurrahman Mohamad **Shalghem**
Secretary of the General People's Committee
for Foreign Liaison and Cooperation
of the Libyan Arab Jamahiriya

United Nations S/2001/1075

Security Council

Distr.: General
14 November 2001
English
Original: English/French

Draft resolution

The Security Council,

Reaffirming its previous resolutions on Afghanistan, in particular resolutions 1267 (1999) of 15 October 1999, 1333 (2000) of 19 December 2000 and 1363 (2001) of 30 July 2001,

Supporting international efforts to root out terrorism, in keeping with the Charter of the United Nations, and *reaffirming* also its resolutions 1368 (2001) of 12 September 2001 and 1373 (2001) of 28 September 2001,

Recognizing the urgency of the security and political situation in Afghanistan in light of the most recent developments, particularly in Kabul,

Condemning the Taliban for allowing Afghanistan to be used as a base for the export of terrorism by the Al-Qaida network and other terrorist groups and for providing safe haven to Usama Bin Laden, Al-Qaida and others associated with them, and in this context supporting the efforts of the Afghan people to replace the Taliban regime,

Welcoming the intention of the Special Representative to convene an urgent meeting of the various Afghan processes at an appropriate venue and *calling on* the United Front and all Afghans represented in those processes to accept his invitation to that meeting without delay, in good faith and without preconditions,

Welcoming the Declaration on the Situation in Afghanistan by the Foreign Ministers and other Senior Representatives of the Six plus Two of 12 November 2001, as well as the support being offered by other international groups,

Taking note of the views expressed at the meeting of the Security Council on the situation in Afghanistan on 13 November 2001,

Endorsing the approach outlined by the Special Representative of the Secretary-General at the meeting of the Security Council on 13 November 2001,

Reaffirming its strong commitment to the sovereignty, independence, territorial integrity and national unity of Afghanistan,

Deeply concerned by the grave humanitarian situation and the continuing serious violations by the Taliban of human rights and international humanitarian law,

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1. *Expresses* its strong support for the efforts of the Afghan people to establish a new and transitional administration leading to the formation of a government, both of which:

- should be broad-based, multi-ethnic and fully representative of all the Afghan people and committed to peace with Afghanistan's neighbours,

- should respect the human rights of all Afghan people, regardless of gender, ethnicity or religion,

- should respect Afghanistan's international obligations, including by cooperating fully in international efforts to combat terrorism and illicit drug trafficking within and from Afghanistan, and

- should facilitate the urgent delivery of humanitarian assistance and the orderly return of refugees and internally displaced persons, when the situation permits;

2. *Calls* on all Afghan forces to refrain from acts of reprisal, to adhere strictly to their obligations under human rights and international humanitarian law, and to ensure the safety and security and freedom of movement of United Nations and associated personnel, as well as personnel of humanitarian organizations;

3. *Affirms* that the United Nations should play a central role in supporting the efforts of the Afghan people to establish urgently such a new and transitional administration leading to the formation of a new government and *expresses* its full support for the Secretary-General's Special Representative in the accomplishment of his mandate, and calls on Afghans, both within Afghanistan and among the Afghan diaspora, and Member States to cooperate with him;

4. *Calls* on Member States to provide:

- support for such an administration and government, including through the implementation of quick-impact projects,

- urgent humanitarian assistance to alleviate the suffering of Afghan people both inside Afghanistan and Afghan refugees, including in demining, and

- long-term assistance for the social and economic reconstruction and rehabilitation of Afghanistan and welcomes initiatives towards this end;

5. *Encourages* Member States to support efforts to ensure the safety and security of areas of Afghanistan no longer under Taliban control, and in particular to ensure respect for Kabul as the capital for all the Afghan people, and especially to protect civilians, transitional authorities, United Nations and associated personnel, as well as personnel of humanitarian organizations;

6. *Decides* to remain actively seized of the matter.

United Nations S/2001/1076

Security Council

Distr.: General
14 November 2001

Original: English

Interim report of the Secretary-General to the Security Council on the situation in Burundi

I. Introduction

1. The indefatigable efforts of the Facilitator of the Burundi peace process, former president Nelson Mandela, and the leaders of the region have finally succeeded in bringing about the installation of a broad-based transitional government of national unity, on 1 November, and have ushered in a new and promising chapter in the search for lasting peace and stability in Burundi. The occasion was witnessed by the Presidents of Malawi, Nigeria, Rwanda, the United Republic of Tanzania and Zambia, the Deputy Presidents of South Africa and Uganda, the Secretary-General of the Organization of African Unity and representatives of the United Nations and the European Union.

2. Mr. Mandela announced that although his role as Facilitator had come to an end, he would continue to act as moral guarantor to the Arusha Agreement on Peace and Reconciliation in Burundi and would be represented on the Implementation Monitoring Committee. Mr. Mandela stressed that responsibility for ensuring the full and speedy implementation of the remaining provisions of the Arusha Agreement rested on the Committee, under the chairmanship of the United Nations, and the international community. The Committee has agreed to hold its sixth ordinary session in Bujumbura, the first ever in Burundi, before the end of the year. This is a welcome decision, which will have positive implications for the efforts to implement the Arusha Agreement.

3. In my letter dated 10 November 2000 (S/2000/1096), I informed the Security Council that the Arusha Agreement of 28 August 2000 had entrusted to the United Nations the important and special role of chairing the Implementation Monitoring Committee. The responsibilities entrusted to the Committee included following up, monitoring, supervising and coordinating the implementation of the Agreement. I had hoped to submit to the Security Council shortly thereafter a proposal for an expanded mandate for the United Nations in Burundi and to indicate how the United Nations presence in the country could be strengthened to help it carry out the functions entrusted to it.

4. However, although the Agreement contained a comprehensive package of measures aimed at bringing about peace and reconciliation in Burundi, efforts to implement it were stymied by a lack of agreement in two critical areas: transitional leadership and a cessation of hostilities/ceasefire, the latter since the two armed groups, the National Council for the Defense of Democracy-Front for the Defense of Democracy (CNDD-FDD) and the Party for the Liberation of the Hutu People-National Liberation Forces (PALIPEHUTU-FNL), were not part of the Arusha peace process. In particular, the intensification of fighting since the signing of the Agreement made it impossible to carry out many of the tasks of the transitional phase, including the return and resettlement of refugees and displaced people as well as the reform of the military and security institutions. It has also exacerbated the humanitarian situation in a country already afflicted with a malaria epidemic and widespread malnutrition and hunger.

5. In its presidential statement of 2 March (S/PRST/2001/6), the Security Council emphasized the important role of the Implementation Monitoring Committee in advancing the peace process and, in its statement of 29 June (S/PRST/2001/17), the Council

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encouraged me to continue to engage the armed groups and to contribute to coordinated efforts to bring about a political settlement of the conflict. Stressing its intention to continue to follow closely developments in Burundi, including through regular briefings by the Secretariat, the Council expressed its readiness to consider, in the light of progress made on the outstanding issues, further contributions to the peace process and the implementation of the Agreement.

6. The purpose of the present report is to update the Security Council on major developments in and relating to Burundi and to address some of the issues related to the mandate for, and resources needed by, the United Nations to continue to support the implementation of the Agreement. The report will sketch the outlines of the scope and magnitude of the tasks that are expected to derive from the United Nations chairmanship of the Implementation Monitoring Committee now that a transitional government has been established. However, agreement on a ceasefire is expected to take longer. As a result, the resource requirements that could be estimated with any degree of certainty would be those associated with the Committee. In the first instance, with the establishment of the transitional government on 1 November and the expected repatriation of the Committee to Burundi, the various United Nations entities supporting the peace process would need to be consolidated, refocused and strengthened.

II. Implementation Monitoring Committee

7. As the Security Council is aware, at the request of the Burundian signatories to the Arusha Agreement and in consultation with the Facilitator, I appointed my Special Representative for the Great Lakes region, Berhanu Dinka, to serve as chairman of the Implementation Monitoring Committee. The mandate of the Committee, as specified in protocol V of the Arusha Agreement, is:

(a) To follow up, monitor, supervise, coordinate and ensure the effective implementation of all provisions of the Agreement;

(b) To ensure that the implementation timetable is respected;

(c) To ensure the accurate interpretation of the Agreement;

(d) To reconcile points of view;

(e) To arbitrate and rule on any dispute that may arise among signatories;

(f) To give guidance to and coordinate the activities of all commissions and subcommissions set up pursuant to each protocol for the purpose of implementing the Agreement, namely, the Technical Committee to implement the procedures for the establishment of a national defense force, the Technical Committee to implement procedures for the establishment of the national police, the Ceasefire Commission, the Reintegration Commission and the National Commission for the Rehabilitation of *Sinistrés*;

(g) To assist and support the transitional government in the mobilization of financial, material, technical and human resources required for the implementation of the Agreement;

(h) To decide on the admission of new participating parties in accordance with article 14 of protocol II of the Agreement;

(i) To perform any other duty specifically allocated to it by the Agreement.

8. The Implementation Monitoring Committee also serves as the mechanism for guaranteeing compliance with the Arusha Agreement. Accordingly, the Committee and its Chairman will closely monitor the implementation of the conditions accepted by President Pierre Buyoya (see para. 16, below). Furthermore, the Chairman of the Committee and two representatives of the Facilitator (Judge Mark Bomani and Professor Nicholas Haysom) were asked to assist President Buyoya and the parties to reach an amicable and speedy agreement on the distribution of cabinet posts and the allocation of ministries, should differences arise among the signatories.

9. The Implementation Monitoring Committee is composed of 29 representatives: 19 from the Burundian signatories to the Agreement; 6 from Burundian civil society; and 1 each from the United Nations (Chairman), the donor community, the Organization of African Unity and the Regional Peace Initiative on Burundi. A representative of the Facilitator participates as an observer.

10. The Committee will be based in Bujumbura. Meanwhile, it has held its meetings in Arusha, United Republic of Tanzania, until the necessary conditions, particularly those relating to security, are established in Burundi. The Committee held its first meeting in January 2001 and has held four other sessions, in March, May/June, August and October, all of them in Arusha.

11. During those sessions, the Implementation Monitoring Committee considered a number of important issues the resolution of which was not contingent upon prior agreements on the transitional leadership or the cessation of hostilities/ceasefire. The Committee is also working to prepare the ground for the full implementation of the Agreement once the outstanding issues are resolved. In addition, with its inclusive composition and the need for its members to work together on a wide range of issues and tasks, the Committee is helping to build confidence among the Burundian parties and to sustain the positive spirit of the Agreement.

12. In accordance with the Agreement, the Implementation Monitoring Committee has called for the urgent establishment by the Government of Burundi of an independent Commission of Inquiry to investigate the question of political prisoners and prison conditions in Burundi. The Commission would comprise 12 members, 8 of whom would be Burundian legal experts provided by the Government in consultation with the Committee. The remaining 4 would be international legal experts provided by the United Nations. The Commission is to start its work in November and has been given three months to complete its investigation and make recommendations.

13. The Implementation Monitoring Committee has also considered the drafting of legislation by the Government and the National Assembly on temporary immunity for politically motivated crimes, the repeal of provisions in the law hindering political freedom, the preparations necessary for the voluntary repatriation of refugees and the reintegration and rehabilitation of internally displaced persons. Furthermore, it has discussed the conditions necessary for the installation of a transitional government and the timing of that government's request for the deployment of an international peacekeeping force to support the implementation of the Agreement.

14. As part of the preparatory work undertaken so far, two working groups of the Implementation Monitoring Committee have been operating in Bujumbura, with the support of the United Nations Office in Burundi. Those two groups have been charged respectively with preparing an inventory of existing Burundian legislation that inhibits free political activity and with drafting a summary of the Arusha Agreement and a common message to be distributed to the people of Burundi as part of a public information campaign. The United Nations Office in Burundi is also supporting the peace process, including the work of the Committee, through its public information activities and its assistance in facilitating the participation of civil society.

III. Transitional arrangements

15. The Facilitator convened two important meetings in July 2001 in an effort to break the impasse in the transitional arrangements: the first with the leaders of the Regional Peace Initiative in Lusaka on 8 July and the second with the signatories of the Arusha Agreement in Johannesburg two days later. In the first meeting, the Facilitator informed the leaders that, given the lack of consensus within the G-10 (Tutsi) group of parties and the position taken by the army, he deemed it prudent to propose that the region accept Mr. Buyoya as the transitional leader for the first phase. The leaders agreed, but insisted that the conditions put forth by the Front for Democracy in Burundi (FRODEBU) be presented also as those of the Initiative and that Mr. Buyoya confirm his acceptance of them at the Fifteenth Summit Meeting of the Regional Peace Initiative on Burundi, to be held on 23 July, where a final decision would be taken.

16. The conditions that Mr. Buyoya agreed to and the implementation of which will be monitored by the Implementation Monitoring Committee were the following:

(a) Include representatives of the signatory parties in the transitional government;

(b) Faithfully and without reservation implement all the stipulations of the Agreement;

(c) Proceed as soon as possible to reform the army and to integrate the armed groups into the army;

(d) Collaborate fully with the representative of the United Nations High Commissioner for Refugees with regard to the repatriation of refugees and the resettlement of internally displaced persons;

(e) Offer protection to all political leaders, particularly those returning from exile;

(f) Refrain from reprisals against political opponents;

(g) Release political prisoners on the recommendation of the independent commission of inquiry to be established;

(h) Appeal for the deployment of regional and international troops for the purpose of maintaining peace and security and collaborate with them;

(i) Authorize the establishment of a special protection unit for political leaders consisting of an equal number of soldiers/Burundian policemen and people appointed by the G-7 (Hutu) and G-10 (Tutsi) groups operating under their joint command and assisted and trained by the countries that have volunteered to provide troops;

(j) Work for an equitable representation of Burundian communities in all public offices;

(k) Collaborate with the Implementation Monitoring Committee;

(l) Cease the functions of the President of Burundi at the end of an 18-month period.

17. At the conclusion of his meeting with the signatory parties in Johannesburg on 10 July, the Facilitator announced that agreement had been reached on the transitional leadership. The agreement was for Mr. Buyoya to lead the first half of the three-year transitional period with Domitien Ndayizeye (FRODEBU) as Vice-President. During the second phase, Mr. Ndayizeye will take over the presidency and a new Vice-President will be designated by the G-10 group.

18. The Fifteenth Summit Meeting of the Regional Peace Initiative on Burundi held on 23 July 2001, took note of Mr. Mandela's proposal on the question of the transitional leadership without discussing the matter further with the signatory parties. Apparently, 14 of the 19 Burundian signatories had agreed that Mr. Buyoya would lead the first phase of the transition, provided that he accepted the conditions presented to him in Lusaka. Mr. Buyoya signed a document agreeing to fulfil all the conditions. The document was co-signed by the Chairman of the Initiative, President Yoweri Museveni of Uganda, and by Mr. Ndayizeye.

19. The Summit agreed that a protection force, later referred to as a special protection unit, should be deployed in Burundi as soon as possible. Half of the special protection unit would come from the existing army and police forces and the other half would be contributed by the G-7 (Hutu) group from among the civilian population, the signatory parties that had armed elements (CNDD, National Liberation Front, PALIPEHUTU) and any other sector of society that enjoyed the confidence of the G-7. The Summit felt that the special protection unit should be of sufficient size and capacity to protect returning exiled leaders including those from the Burundian army. It also agreed that the special protection unit should have a neutral command to start with, assisted by the four countries — Ghana, Nigeria, Senegal and South Africa — that have shown an interest in contributing troops to be deployed in Burundi to ensure respect for the ceasefire prior to establishing a United Nations peacekeeping mission.

20. The Summit decided that reform of the army should begin immediately after the transitional government was installed and that the four countries mentioned above should contribute troops not only for the purpose of ensuring respect for the ceasefire, but also to supervise the integration of the army, assisting in the establishment and training of an ethnically balanced special unit for the protection of the institutions. The regional leaders underlined that the forces provided by the four countries were to be deployed while efforts continued for the deployment of a United Nations peacekeeping force, as envisaged in the Arusha Agreement.

21. The Summit also decided that the transitional government should be installed on 1 November 2001, that cabinet members should be nominated in accordance with the agreed quota of posts (60 per cent for the G-7, 40 per cent for the G-10) and that the allocation of cabinet posts should be determined through negotiations among the participating signatories.

22. The Facilitator dispatched to New York two of his representatives, Mr. Bomani and Mr. Haysom, on 20 September for consultations with the Secretariat and

the Security Council. They reported to the Council on progress achieved in the implementation of the peace process and sought its support for the arrangements relating to the implementation agreed to at the Fifteenth Summit, particularly in respect of the leadership arrangements and the establishment of the special protection unit. On 26 September the Security Council issued a presidential statement (S/PRST/2001/26) in which it reaffirmed its strong support for the facilitation of Mr. Mandela and for the installation on 1 November 2001 of the transitional government in Burundi. It also called upon the Burundian parties to reach agreement swiftly on the establishment of a special protection unit entrusted solely with the police function of providing personal security for politicians returning from exile. It further urged the international community to provide, on an urgent basis, support for the training and deployment of the special protection unit.

23. The Chairman of the Initiative, Mr. Museveni, on 1 October 2001 convened the Sixteenth Summit Meeting of the Regional Peace Initiative. In view of the disagreement between the Burundian Government and the G-7 (Hutu) group on a number of issues, including the composition of the transitional government and the transitional constitution as well as the composition and size of the special protection unit, the Summit urged both parties to solve their differences and to report to the next Summit, to be held in South Africa on 11 October.

24. In a press statement read on 10 October by the President of the Security Council, the members of the Council noted the importance of the current phase of the peace process in Burundi and called upon all parties to work together in a spirit of compromise to resolve outstanding difficulties and to advance the peace process. They reiterated their strong support for the installation of the transitional government on 1 November, called upon all the signatories of the Arusha Agreement to cooperate fully with the Facilitator and his team and the Implementation Monitoring Committee and to uphold in full the commitment they had entered into so that the necessary legal and political environment would be established to facilitate the return of the exiled political leaders. They also called upon the Burundian parties to reach agreement, as a matter of priority, on the outstanding issues, including the establishment of a special protection unit specifically aimed at providing protection for returning political leaders, and called upon the armed groups to suspend hostilities and enter into negotiations for a ceasefire.

25. The Seventeenth Summit Meeting of the Regional Peace Initiative was held as scheduled, on 11 October in Pretoria. There were a number of positive developments: on the transitional government, Mr. Mandela reported that Mr. Buyoya and the G-7 had agreed upon its legal framework, the composition of the cabinet, the structure of government and the composition of the Senate and the transitional National Assembly. With regard to the special protection unit, Ghana, Nigeria, Senegal and South Africa offered to provide protection for the returning exiled political leaders until an all-Burundi unit was trained and deployed. South Africa agreed to deploy a protection unit to Burundi by 1 November, to be joined later by contingents from the other three countries. The first contingent of South African troops arrived in Bujumbura on 27 October 2001.

IV. Negotiations on the cessation of hostilities/ceasefire

26. Deputy President Jacob Zuma of South Africa, who has been assisting the Facilitator in negotiations to reach a cessation of hostilities/ceasefire, updated the Fifteenth and Sixteenth Summit Meetings of the Regional Peace Initiative on his efforts. He asked the Summit to call upon the armed groups to negotiate earnestly and to meet with their leaders to impress upon them the need to conclude a peace agreement without further delay. With agreement having been reached on the transitional leadership, ending the war through negotiations between the Government of Burundi and the armed groups became a priority for the peace process.

27. At the Seventeenth Summit Meeting, the leaders of the region called upon CNDD-FDD and PALIPEHUTU-FNL, which had been invited to the meeting, to cease hostilities and to enter into negotiations leading to a ceasefire. The leader of CNDD-FDD told the Summit that the group had always supported a negotiated settlement to the conflict and hoped to be able to negotiate with the transitional government. He reiterated his call for the continuation of the Libreville process with the co-facilitation of President Omar Bongo of Gabon.

28. PALIPEHUTU-FNL agreed to negotiate with the transitional government if it accepted the proposals contained in the framework document submitted by the group two months before and to which no written response had been given. With regard to the special protection unit, both CNDD-FDD and PALIPEHUTU-FNL indicated that they would have no objection as long as the unit limited itself to providing protection to returning exiled leaders. Despite the positive indication, CNDD-FDD and PALIPEHUTU-FNL have increased their attacks on civilians. In the days following the establishment of the transitional government, more than 30 civilians were killed and scores of schoolchildren were forced to flee from their schools. Fortunately, all but a few of them have returned safely.

29. In September 2000, Mr. Mandela requested the United Nations to establish contact with CNDD-FDD and PALIPEHUTU-FNL to impress upon them the priority attached by the international community to a cessation of hostilities/ceasefire agreement and to encourage them to enter into negotiations. I entrusted the task to my Representative in Burundi, who has since expanded his contacts with the armed groups. Last May, the Security Council mission to the Great Lakes region met with the armed groups for the same purpose. While efforts to end the fighting in Burundi should continue, it will be necessary for all the belligerents to observe, as a minimum, a comprehensive commitment to protect the lives of civilians and the means of their economic survival in the difficult circumstances of the war. The humanitarian coordinator in Burundi is working with the belligerents to ensure that the population has unfettered access to humanitarian assistance. The United Nations will continue to advocate a cessation of hostilities and support the ongoing efforts to find a political solution to the conflict.

30. The Arusha Agreement calls for the deployment of a United Nations peacekeeping force to assist in its implementation. The Secretariat has initiated contingency planning for the possible deployment of a peacekeeping mission under chapter VI of the Charter of the United Nations once a ceasefire agreement has been reached between the belligerents. For that purpose, a military adviser has been assigned to the United Nations Office in Burundi in Bujumbura and has been working in close coordination with the Department of Peacekeeping Operations.

V. Humanitarian and development assistance

31. In addition to the casualties resulting directly from the war, the prolonged conflict in Burundi continues to disrupt social and economic development. A major challenge for Burundi continues to be the stabilization of the economy and the promotion of recovery. Many of the country's social indicators have dropped below the level of 20 years ago. The gross domestic product (GDP) per capita averaged $240 from 1980 to 1985; it is currently estimated at $120. The external debt exceeds $1 billion (175 per cent of GDP), while the debt service alone amounts to 124 per cent of the total value of exports of goods and services. Within such a dramatically deteriorating economic context, opportunities to earn even the minimum revenue to sustain life are increasingly rare, in both the private and public sectors.

32. The destruction and the lack of maintenance of the social infrastructure have had a devastating impact on the provision of social services, translating into a substantially deteriorated state of national health, diminished access to clean water and decreased opportunities for education. As a result, life expectancy at birth, which was 53.8 years in 1993, now stands at 42.8 years; 58 per cent of the population currently lives below the poverty line, compared with 39 per cent in 1993. Only 52 per cent of the population has access to potable water. The gross primary school enrolment rate has dropped from 70 per cent in 1992 to 37 per cent today.

33. The incidence of HIV infection is increasing at a dramatic rate: 20 per cent of the country's urban and 6 per cent of the rural population is estimated to be HIV-positive, and the number of AIDS orphans now exceeds 160,000. This overall situation is further exacerbated by the prolonged displacement, internal and external, of close to 900,000 Burundians, as well as recurrent droughts. The agricultural sector, which employs 90 per cent of the labour force and accounts for 54 per cent of GDP, has been affected in 2000 by a further decrease in production.

34. Today the humanitarian situation is fragile and likely to get worse in view of the increased hostilities. Parts of the country remain inaccessible to humanitarian assistance because of insecurity. However, harvests of the 2001 agricultural cycle (September 2000-August 2001) have been satisfactory,

and a substantial improvement in the nutritional situation has been observed since May 2001. In a joint assessment conducted in June 2001, experts from the Food and Agriculture Organization of the United Nations, the World Food Programme, the United Nations Children's Fund and the Burundian Ministries of Agriculture and Health concluded that the situation remained critical, with levels of malnutrition higher than those recorded at the same time last year.

35. Fears of a renewed massive outbreak of malaria in June/July and September/ October have not materialized. In an unprecedented malaria epidemic that affected the whole country (and for the first time reaching higher-altitude regions), infection rates escalated in November 2000, with 722,712 patients registered in hospitals and health centres (versus 162,593 in November 1999). The number of malaria patients steadily declined, to 134,869 cases in September. In August 2001, the Burundian Ministry of Health prohibited further use of chloroquine to treat malarial infection for lack of impact.

36. The United Nations country team in Burundi is preparing a nationwide study on conditions at internally displaced person sites to determine strategies for improved assistance. The follow-up technical group within the framework for the consultation and protection of internally displaced persons is developing strategies for assisting internally displaced persons who are dispersed, particularly in the province of Bujumbura-Rural. To improve follow-up on the internally displaced person situation at the communal level, communal focal points are to be appointed who will regularly provide this information. To ensure that humanitarian assistance will also be provided to populations who dwell in zones with limited or no access, strategic distribution points are being identified in each commune. Following the fighting encountered by the army and rebel factions in mid-September 2001, an estimated 20,000 civilians have been displaced.

37. About 360,000 people live in refugee camps in the United Republic of Tanzania, of whom an estimated 20,000 have spontaneously repatriated. On 4 October, the Office of the United Nations High Commissioner for Refugees (UNHCR) requested non-governmental organizations to establish transit centres for incoming refugees in the provinces of Makamba, Ruyigi and Rutana. An assessment mission was recently sent to the northern provinces to determine whether a repatriation programme could also be initiated in those areas. The United Nations Office for the Coordination of Humanitarian Affairs in Burundi has agreed to manage the inter-agency office of Ruyigi, which was formerly operated by UNHCR. At the moment, the voluntary returns of refugees from the United Republic of Tanzania should be very carefully monitored and orchestrated.

38. Throughout the seven-year crisis, the United Nations has been financing humanitarian and development activities in Burundi. Confronted with the current worsening of the humanitarian situation, the United Nations system is undertaking a number of new initiatives, including a protocol for the protection of internally displaced persons signed by the resident humanitarian coordinator and the Minister for Human Rights. The protocol would allow for joint (Government-humanitarian community) teams to follow through to ensure the safe return of internally displaced persons and the respect of human rights and humanitarian principles. With regard to post-humanitarian activities, the United Nations continues to be one of the major supporters of community development programmes to improve living conditions and to help prepare communities to absorb returning internally displaced persons and refugees.

39. Many donors have contributed to the United Nations Development Programme (UNDP) direct community assistance project, which covers income-generating activities, agricultural production, education, health, habitat and capacity-building. These efforts will (and need to) be continued to support an effective strategy of national reconciliation. UNDP is also supporting the Government in its preparations for a major resource mobilization initiative to combat HIV/AIDS through the organization of a sectoral consultation meeting in Geneva in late 2001 in the context of the follow-up to the 2000 Paris donors' conference for Burundi.

VI. Administrative and financial implications

40. The agreement on the transitional leadership and the establishment of a transitional government on 1 November 2001 makes it possible for the peace process to be repatriated to Burundi. When that happens, the Chairman of the Implementation Monitoring Committee will move to Bujumbura. The venue of

Committee meetings will also move from Arusha to that city when adequate security measures are put in place for the protection of Committee members and other returning exiled leaders.

41. The repatriation of the Implementation Monitoring Committee to Burundi requires the United Nations to consolidate, under the responsibility of the Chairman, the various offices and entities it has established in the field to support the Burundi peace process. Currently, the United Nations provides support to the peace process through the Office of the Special Representative of the Secretary-General for the Great Lakes region in Nairobi, the United Nations Office in Burundi in Bujumbura and the Senior Adviser to the Facilitator in Dar es Salaam. Moreover, a Joint Working Group on Burundi consisting of representatives of the Department of Political Affairs, the Department of Peacekeeping Operations, the Office of Legal Affairs, the Office for the Coordination of Humanitarian Affairs, the Office of the United Nations High Commissioner for Refugees, the Office of the United Nations Security Coordinator, the United Nations Development Programme, the International Monetary Fund and the World Bank has been established in New York to improve coordination among Secretariat offices at Headquarters and with the field. The Joint Working Group is chaired by the Department of Political Affairs.

42. It will be recalled that, in the context of the support provided by the United Nations to the Arusha peace process, I appointed in October 1998 a Senior Adviser to the Facilitator of the Burundi peace process (see S/1998/968). The Senior Adviser continued to assist the Facilitator and his team in Arusha until agreement was reached on the transitional arrangements at the Fifteenth Summit Meeting of the Regional Peace Initiative. He has since been assisting the Chairman of the Implementation Monitoring Committee in the organization and conduct of meetings.

43. In addition, when Mr. Mandela succeeded the late Julius Nyerere as Facilitator for the Burundi peace process last year, I decided to raise the profile of the United Nations within the overall efforts of the international community with regard to Burundi. At that time, I informed the President of the Security Council of my decision to appoint Mr. Dinka as my Special Representative for the Great Lakes region, at the Assistant Secretary-General level, and to designate him as my representative at meetings and deliberations of the Arusha peace process on Burundi (see S/1999/1296). As already mentioned, I subsequently appointed Mr. Dinka as Chairman of the Implementation Monitoring Committee, in consultation with the Facilitator.

44. The United Nations Office in Burundi was established in November 1993, following the coup d'état of 21 October 1993 in that country and the tragic events that ensued. Since its establishment, the Office has played an active and constructive role in assisting the parties to the peace process with regard to the building of an internal political partnership, with the Arusha peace talks and in providing information, analysis and advice to the Department of Political Affairs. As I stated in my letter to the President of the Security Council dated 2 November 1999 (S/1999/1136), once a peace agreement was reached, there would be a need for the United Nations Office in Burundi to undertake additional responsibilities in the post-conflict peace-building phase to help in the consolidation of peace and security. This would entail assisting in the implementation of the peace agreement and the establishment of new institutions, as well as providing support for the various reforms envisaged in the agreement.

45. With the repatriation of the Implementation Monitoring Committee to Burundi, the primary role of the United Nations Office in Burundi will need to be adjusted and refocused. Considering that the political role of the United Nations in Burundi now derives primarily from its responsibilities as Chairman of the Committee, the staff and resources of the Office would be restructured and strengthened to support also the Chairman, including the servicing of the meetings of the Committee and its Executive Council. Moreover, the agreement reached on the transitional leadership and the priority that is being given to the effort to reach a ceasefire agreement has added to the work of the Committee itself.

46. This will necessitate an increase in the staffing and resources of the United Nations Office in Burundi to provide it with expertise and the capability needed to support adequately the work of the Implementation Monitoring Committee and related activities in Burundi. The new political presence of the United Nations in Burundi will group together, under the Office of the Chairman of the Committee, the activities of the Committee secretariat and the political role

previously entrusted to the United Nations Office in Burundi. The net additional staff requirements would amount to 16 international posts, including the Committee Chairman (Assistant Secretary-General). A small number of military advisers and civilian police would also be attached to the Office in order to continue the contingency planning for the possible deployment of a peacekeeping mission.

47. The Implementation Monitoring Committee has been meeting every two months since January 2001 and is expected, following its meeting in October, to convene again before the end of the year in Bujumbura. The United Nations has borne the cost of convening the meetings of the Committee at the rate of about $250,000 per session. In addition, the cost related to the four legal experts to be provided by the United Nations for the independent Commission to investigate the political prisoners (para. 12 above) and their activities would amount to approximately $200,000.

48. With regard to funding for humanitarian and development activities, I continue to attach particular importance to the consolidated inter-agency appeal for 2001. At only 41 per cent, the level of response of the donor community is still not adequate to the needs, even taking into account limitations in absorption capacity due to the current conditions of insecurity.

VII. Observations

49. With the indefatigable dedication of Mr. Mandela, remarkable progress has been made in the efforts to reach a negotiated settlement of the conflict in Burundi. The decision by the regional peace initiative on the transitional leadership was a decisive step towards resolving one of the difficult outstanding issues that have impeded full implementation of the Arusha Agreement. It was encouraging that the consultations among the Burundian signatories on transitional institutions progressed quickly, making it possible for the transitional phase to begin, as scheduled, on 1 November. In this regard, I wish to express my high appreciation to the Government of South Africa for making it possible for the transitional government to be inaugurated by sending troops to Burundi to provide protection to returning exiled leaders to participate in the transitional institutions. I also commend the Governments of Ghana, Nigeria and Senegal for the commitment they have made to send troops to join the South African protection unit. For its part, the United Nations will continue to support and assist the peace process through the active participation of the Chairman of the Implementation Monitoring Committee.

50. The progress made on the transitional arrangements highlights the urgent need to cease hostilities to allow the full implementation of the Arusha Agreement. In this regard, the efforts of Deputy President Zuma of South Africa, with the active support of President Bongo of Gabon, will be of vital importance. I reiterate my call upon the armed groups to negotiate a cessation of hostilities and to join the peace process. The United Nations will continue its efforts towards concluding a speedy agreement on a cessation of hostilities in consultation with the Facilitator.

51. As the Burundian parties make further progress, it will be necessary for the international community to increase its own contribution in support of the full implementation of the Arusha Agreement. As for the role of the United Nations, I intend to present to the Security Council, as soon as the situation allows, a proposal on the United Nations presence in Burundi that would consolidate the various contributions that the United Nations system is called upon to make to the peace process.

52. The Arusha Agreement calls also upon the international community to contribute to the consolidation of peace in Burundi by assisting the country in its humanitarian, development and reconstruction efforts. This would require the United Nations system in the country to cooperate closely with the Chairman of the Implementation Monitoring Committee and to coordinate their activities with him.

53. On the development side, a number of initiatives are being put in place to support the transitional institutions as part of the good governance programme. The importance of full funding for humanitarian and development activities envisaged in the consolidated inter-agency appeal for 2001 cannot be overemphasized. In the context of the Paris donors' conference of last December and in view of the recent progress made in the peace process, I invite donors to respond generously to the appeal and to make good on the pledges they made at the Paris conference, especially now that the transitional government is in place. At the same time, I would like to reiterate my call to all concerned to facilitate the safe and

unhindered activities of the humanitarian relief community.

54. The progress achieved in the peace process in Burundi would not have been possible without the initiative and contribution of the leaders of the subregion and the ceaseless efforts and dedication of two of Africa's most renowned statesmen, the late Julius Nyerere and Mr. Mandela, as well as the generous support and encouragement of the international community. Since he assumed the daunting responsibility of Facilitator of the Burundi peace process in 1 January 1999, Mr. Mandela has challenged the Burundian parties, often against seemingly impossible odds, to put the interests of the people of Burundi ahead of those of any community or party and to strive to resolve their differences peacefully and democratically. His efforts have succeeded, and we shall always be grateful to him and commend him for it.

55. On a number of occasions, the Security Council has reiterated its strong support for the Burundi peace process and the tireless efforts of the Facilitator and those of the regional peace initiative. I have added my support as well as my appreciation and admiration for those efforts and have expressed the determination of the United Nations to do everything possible to help bring about a negotiated settlement of the conflict in Burundi. The grave humanitarian consequences of the conflict, its adverse effect on an already troubled region and the ever-present danger of an upsurge in ethnic violence make it necessary for the international community to continue to give priority attention to Burundi.

United Nations A/56/622–S/2001/1077

General Assembly
Security Council

Distr.: General
14 November 2001

Original: English

General Assembly
Fifty-sixth session
Agenda item 62
Question of Cyprus

Security Council
Fifty-sixth year

Letter dated 14 November 2001 from the Permanent Representative of Turkey to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a letter dated 14 November 2001, addressed to you by His Excellency Mr. Aytuğ Plümer, Representative of the Turkish Republic of Northern Cyprus (see annex), which contains in its enclosure the letter dated 12 November 2001, also addressed to you, by His Excellency Mr. Rauf R. Denktaş, President of the Turkish Republic of Northern Cyprus.

I should be grateful if the text of the present letter and its annex would be circulated as a document of the General Assembly, under agenda item 62, and of the Security Council.

(*Signed*) Ümit **Pamir**
Ambassador
Permanent Representative

01-63833 (E) 161101

Annex to the letter dated 14 November 2001 from the Permanent Representative of Turkey to the United Nations addressed to the Secretary-General

I have the honour to convey herewith a copy of the letter dated 12 November 2001 addressed to you by His Excellency Mr. Rauf R. Denktaş, President of the Turkish Republic of Northern Cyprus, concerning your good offices mission (see appendix).

I should be grateful if the present letter and its enclosures could be circulated as a document of the General Assembly, under agenda item 62, and of the Security Council.

(*Signed*) Aytuğ Plümer
Representative
Turkish Republic of Northern Cyprus

Appendix

Turkish Republic of Northern Cyprus

President's Office

12 November 2001

I am enclosing the paper titled "Objectives and basic parameters of a Cyprus settlement", which formed the basis of our position in our meeting of 28 August 2001 in Salzburg (see attachment).

These parameters are, in fact, in line with the ideas and principles that have emerged from your good offices mission and reflect the realities of the island, as well as the objective of establishing a new partnership between the two parties of equal status in Cyprus, as set out in your statement of 12 September 2000.

I thought I should draw your attention to our continued commitment to the establishment of a new partnership in Cyprus in line with the objectives and parameters contained in the enclosed paper.

(*Signed*) Rauf R. Denktaş
President

Attachment

Objectives and basic parameters of a Cyprus settlement

- Two co-owner peoples and their co-founding status.
- Freely negotiated and mutually acceptable settlement. Integrated whole principle.
- Two equal and sovereign Partner States representing two distinct peoples respectively.
- Bi-zonality which has actually been brought by the 1975 Voluntary Population Exchange Agreement under the auspices of the United Nations.
- Establishment of a new partnership structure by the two Partner States.
- National, cultural, religious, linguistic, political, economic and social identity as well as integrity and security of each Partner State will be safeguarded with the settlement.
- Each party represents its own side and no one else.
- One party cannot claim jurisdiction and sovereignty over the other party.
- Each Partner State has its sovereignty and jurisdiction over its own people and territory within its constitutional order.
- The new partnership structure shall be competent in matters which are explicitly assigned to it by the Partner States.
- The new partnership will have one international personality as per the competencies assigned by the Partner States to the partnership. The external representation of the new structure will reflect the bi-national nature of the new partnership.
- Creating an environment of mutual confidence, cooperation and partnership through confidence-building measures and removal of the embargoes. Removal of the embargoes will contribute to the process.
- Refrain from any action which could impair the negotiation process.
- The comprehensive settlement will be submitted to separate referendums in both sides.
- 1960 Treaties of Guarantee and of Alliance shall remain in force.
- The comprehensive settlement following its adoption after separate referendums will serve as the founding document of the new partnership.
- Global exchange of property and/or compensation through a Joint Property Claims Commission.
- The two Partner States will respect each other's special relationship with their motherlands.
- Most-favoured-national treatment to be accorded to Turkey and Greece.
- Neither Greece nor Turkey will have a more favourable position in Cyprus than the other.

- The nationals of each Partner State will also be citizens of the new structure.
- Equal participation and rotation in all institutions of the new structure; decision-making on the basis of consensus.
- The two Partner States will retain their right to enter into agreements and relations with foreign Governments and regional or international organizations in their areas of competence.
- European Union membership will be decided as part of the comprehensive agreement and be submitted to separate referendums.
- The parties shall terminate all current or pending recourse before an international body against the other State or Greece or Turkey.

United Nations S/2001/1078

Security Council

Distr.: General
15 November 2001

Original: English

Report of the Secretary-General concerning the credentials of the alternate representatives of Mauritius on the Security Council

Pursuant to rule 15 of the provisional rules of procedure of the Security Council, the Secretary-General wishes to report that he has received a letter dated 14 November 2001 from the Permanent Representative of Mauritius to the United Nations stating that Dineshwur Ramjuttun and Jammajaising Bissoondoyal have been appointed alternate representatives of Mauritius on the Security Council.

In the opinion of the Secretary-General, this letter constitutes adequate provisional credentials.

01-64146 (E) 151101

United Nations S/2001/1078*

Security Council

Distr.: General
16 November 2001

Original: English

Report of the Secretary-General concerning the credentials of the alternate representatives of Mauritius on the Security Council

Pursuant to rule 15 of the provisional rules of procedure of the Security Council, the Secretary-General wishes to report that he has received a letter dated 14 November 2001 from the Minister for Foreign Affairs and Regional Cooperation of the Republic of Mauritius stating that Dineshwur Ramjuttun and Janmajaising Bissoondoyal have been appointed alternate representatives of Mauritius on the Security Council.

In the opinion of the Secretary-General, these credentials are in order.

* Reissued for technical reasons.

01-64146* (E) 161101

United Nations S/2001/1079

Security Council

Distr.: General
15 November 2001

Original: English

Report of the Secretary-General on the United Nations Disengagement Observer Force

for the period from 19 May 2001 to 15 November 2001

I. Introduction

1. The present report gives an account of the activities of the United Nations Disengagement Observer Force (UNDOF) during the past six months, pursuant to the mandate contained in Security Council resolution 350 (1974) and extended in subsequent resolutions, most recently resolution 1351 (2001) of 30 May 2001.

II. Situation in the area and activities of the Force

2. During the period under review, the ceasefire in the Israel-Syria sector was maintained and the area of operation of UNDOF remained generally calm, except in the Shab'a farms area (Area 6), as detailed in my most recent report on the United Nations Interim Force in Lebanon (S/2001/714). UNDOF supervised the area of separation by means of fixed positions and patrols to ensure that the military forces of either party were excluded from it. It also carried out fortnightly inspections of equipment and force levels in the areas of limitation. Liaison officers from the party concerned accompanied the inspection teams. As in the past, both sides denied inspection teams access to some of their positions and imposed some restrictions on the Force's freedom of movement. Israel, however, allowed inspections to resume in that portion of the area of operation known as Area 6.

3. The Force continued to assist the International Committee of the Red Cross with facilities for mail and the passage of persons through the area of separation. Within the means available, medical treatment was provided to the local population, on request. During the past six months, UNDOF assisted in the crossing of 611 students, 532 pilgrims, one detainee and in the repatriation of one person. In addition, UNDOF provided protection at seven weddings.

4. In the area of operation, especially in the area of separation, mines continued to pose a threat to UNDOF personnel and local inhabitants. Through the Minefield Security Programme, initiated with the cooperation of the Syrian authorities, numerous known, as well as previously unidentified, minefields in the area of separation were marked. UNDOF also supported the activities of the United Nations Children's Fund to promote mine awareness among the civilian population.

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5. The Force Commander and his staff maintained close contact with the military authorities of Israel and the Syrian Arab Republic. Both sides generally cooperated with UNDOF in the execution of its tasks.

6. During the reporting period, UNDOF undertook a comprehensive review of its facilities, support structure and deployment. The rapid development of the civilian infrastructure in the area of separation over the past three years has had an impact on the effectiveness of existing UNDOF checkpoints and observation posts for monitoring access and movement. In addition, a substantial amount of the 28-year old UNDOF support structure and facilities are obsolete and in acute need of upgrading. To improve its ability to carry out its mandate effectively, UNDOF has initiated a modernization programme. Key components of this programme are the full integration of the military and civilian administrative and logistics components of the Force, replacement of outdated facilities, consolidation of some positions in the area of separation and enhancement of the mobility of the Force.

7. As at 15 November 2001, UNDOF comprised 1,056 troops from Austria (372), Canada (188), Japan (45), Poland (356) and Slovakia (95). In addition, 78 military observers of the United Nations Truce Supervision Organization (UNTSO) assisted the Force in carrying out its tasks. A map showing the deployment of the Force is attached to the present report.

III. Financial aspects

8. By its resolution 55/264 of 14 June 2001, the General Assembly appropriated the amount of $36 million gross, equivalent to $3 million gross per month, for the maintenance of the Force for the period from 1 July 2001 to 30 June 2002. Should the Council decide to extend the mandate of the Force beyond 30 November 2001, the cost of its maintenance would be limited to the amounts approved by the General Assembly.

9. As at 31 October 2001, unpaid assessed contributions to the Special Account for the United Nations Disengagement Observer Force for the period from the inception of the Force until 30 November 2001 amounted to $19.6 million. Total outstanding assessed contributions for all peacekeeping operations as at the same date amounted to $2,610.6 million.

IV. Implementation of Security Council resolution 338 (1973)

10. The Security Council, while deciding in its resolution 1351 (2001) to renew the mandate of UNDOF for a further period of six months until 30 November 2001, called upon the parties concerned to implement immediately its resolution 338 (1973) of 22 October 1973 and requested the Secretary-General to submit, at the end of the period, a report on the developments in the situation and the measures taken to implement that resolution. The search for a peaceful settlement in the Middle East and, in particular, the efforts undertaken at various levels to implement resolution 338 (1973) were dealt with in the report of the Secretary-General on the situation in the Middle East (A/56/480), submitted pursuant to General Assembly resolutions 55/50 and 55/51 of 1 December 2000.

V. Observations

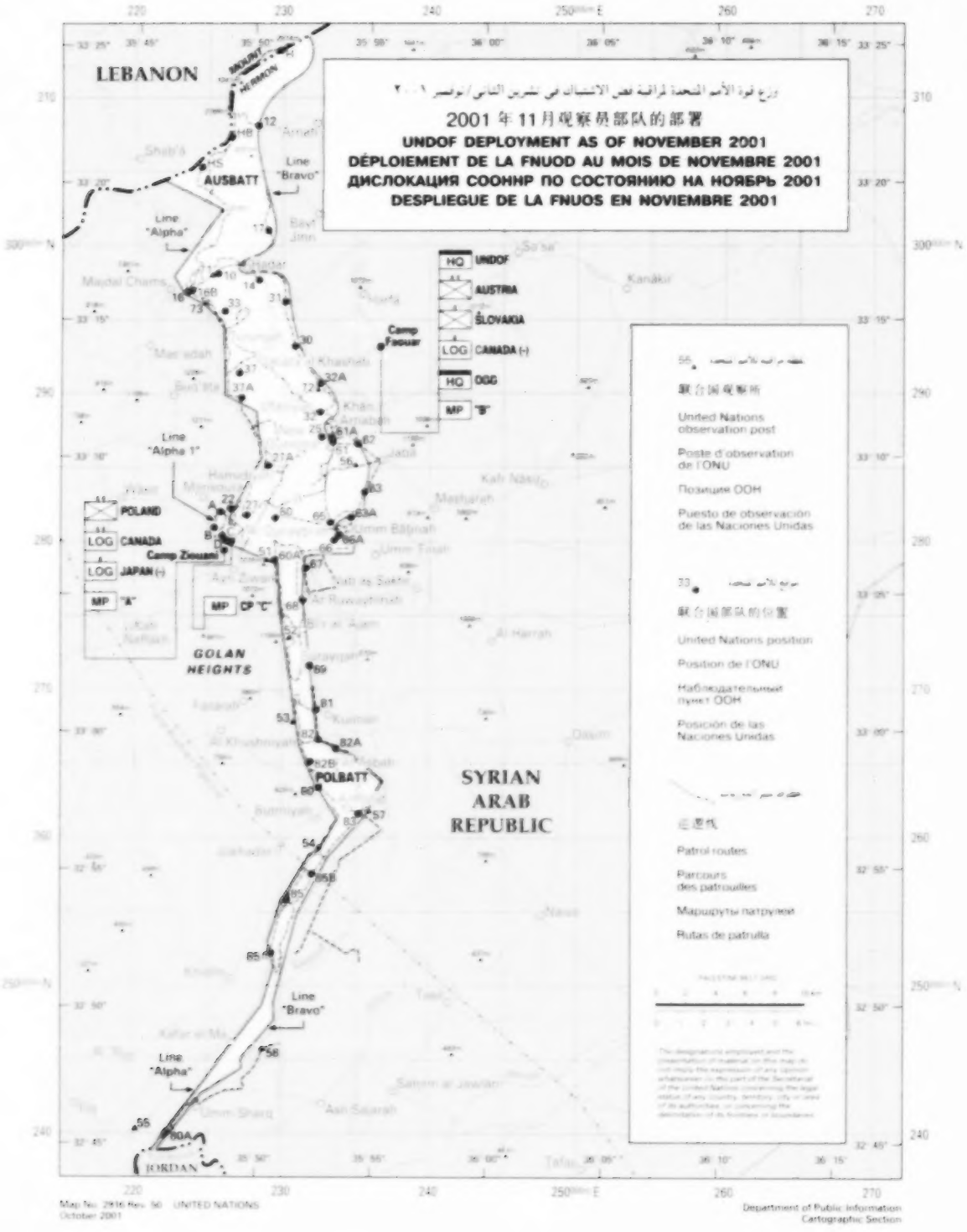
11. The situation in the Israel-Syria sector has remained generally quiet. UNDOF, which was established in May 1974 to supervise the ceasefire called for by the Security Council and the agreement on disengagement between Syrian and Israeli forces of 31 May 1974, has continued to perform its functions effectively, with the cooperation of the parties.

12. Nevertheless, the situation in the Middle East continues to be potentially dangerous and is likely to remain so, unless and until a comprehensive settlement covering all aspects of the Middle East problem can be reached. I hope that determined efforts will be made by all concerned to tackle the problem in all its aspects, with a view to arriving at a just and durable peace settlement, as called for by the Security Council in its resolution 338 (1973).

13. Under the prevailing circumstances, I consider the continued presence of UNDOF in the area to be essential. I therefore recommend that the Security Council extend the mandate of the Force for a further period of six months, until 31 May 2002. The Government of the Syrian Arab Republic has given its assent to the proposed extension. The Government of Israel has also expressed its agreement.

14. In making this recommendation, I must draw attention to the shortfall in the funding of the Force. At present, unpaid assessments amount to some $19.6 million. This sum represents money owed to the Member States that contribute the troops who make up the Force. I appeal to Member States to pay their assessments promptly and in full and to clear all remaining arrears.

15. In conclusion, I wish to pay tribute to Major General Wranker and to the men and women serving with UNDOF. They have performed with efficiency and devotion to duty the important tasks assigned to them by the Security Council. I take this opportunity to express my appreciation to the Governments that are contributing troops to UNDOF and to those that provide the UNTSO military observers assigned to the Force.



2001 年 11 月观察员部队的部署

UNDOF DEPLOYMENT AS OF NOVEMBER 2001
DÉPLOIEMENT DE LA FNUOD AU MOIS DE NOVEMBRE 2001
ДИСЛОКАЦИЯ СООННР ПО СОСТОЯНИЮ НА НОЯБРЬ 2001
DESPLIEGUE DE LA FNUOS EN NOVIEMBRE 2001

Map No. 2916 Rev. 50 UNITED NATIONS
October 2001

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